

**Comments on Creditworthiness Draft #7 for Discussion at May 15, 2003 SUIS Meeting  
(with Outcomes of April 3, 2003 Meeting)**

<b>Section</b>	<b>Cmnt #</b>	<b>Comment</b>	<b>Commenter</b>	<b>Recommendation</b>	<b>Draft 8 Status</b>	<b>Type</b>
1.2.1.6	4	Remove Glossary Subcommittee reference	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.2.1.7	5	Delete extra space in front of "to"	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.2.1.7	1	Remove extra space in front of "to"	Detroit Edison	Accept Change	Change Made in Working Draft	Grammar
1.2.1.9	6	Capitalize Supplier and Customer	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.2.3.2	7	Add "e.g." in parenthetical list)	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.2.3.4	9	Lowercase on "guaranty" it's not a defined term.	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.2.4.2	75	Capitalize "Material Change"	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.3.1.1	76	Capitalize "Customer:"	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.3.1.1	14	Fifth bullet: Punctuation change period to semi-colon	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.3.1.1	15	Sixth bullet: Punctuation change period to semi-colon and add the word "and"	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.3.1.1	16	Last paragraph: Change "such as:" to e.g.," and delete "or" in parenthetical statement.	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.3.2.3	19	Delete comma.	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.3.2.3	2	Remove space before the comma	Detroit Edison	Accept Change	Change Made in Working Draft	Grammar
1.3.2.5	22	Remove capitalization from "issues" in the headings for the bulleted lists.	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.3.2.5	24	Add punctuation: semi-colons etc. and the word "and" in the bulleted lists	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.3.3.6	8	Remove extra spaces before "for" in first sentence and before "notice" in second sentence.	Detroit Edison	Accept Change	Change Made in Working Draft	Grammar
1.3.3.9	31	First bullet: remove capitalization from "annual report"	Reliant	Accept Change	Change Made in Working Draft	Grammar

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1.3.3.9	32	Second bullet: punctuation so it reads: · Most recent SEC Form 10-K and 10-Q and any independent auditor's letter to management or, if SEC Form 10-K is unavailable, substitute audited annual financial information (including a balance sheet, income statement, cash flow statement with notes, and any independent auditor's letter to management); and"	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.3.3.9	33	Remove extra space in front of "that"	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.3.3.9	4	Remove extra spaces before "audited" in first bullet point and before "that" in second bullet point.	Detroit Edison	Accept Change	Change Made in Working Draft	Grammar
1.3.3.10	5	Remove extra space before "supporting"	Detroit Edison	Accept Change	Change Made in Working Draft	Grammar
1.3.3.10	6	Remove extra space before "signing" in first bullet point	Detroit Edison	Accept Change	Change Made in Working Draft	Grammar
1.3.5.1	7	Number second paragraph under 1.3.5.1 as "1.3.5.2" and change subsequent "1.3.5" numbers.	Detroit Edison	Accept Change	Change Red-lined in Working Draft	Grammar
1.3.6.1	51	Capitalize "Guarantor"	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.3.7.1	53	Add comma after word "tariffs"	Reliant	Accept Change	Change Made in Working Draft	Grammar
1.3.8.3	61	First bullet point: Capitalize "Notify"		Accept Change	Change Made in Working Draft	Grammar

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1.2.3.3	8	Change "who" to "that", so it reads "The entity that guarantees..."	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.1.1	11	First bullet: Change "when billing is consolidated" to "when Consolidated Billing is utilized."	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Wording
1.3.1.1	12	Second bullet: Change it to read: ". Risks associated with the Supplier's purchase of distribution services on for resale to its customers under the Single Retailer Model."	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.1.1	13	Third bullet: Change it to read: ". Risks associated with the Distribution Company being the Default Provider that provides replacement energy when a Supplier defaults; and"	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Wording
1.3.2.2	18	Change "Provider of Last Resort" to "Default Provider"	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.2.3	3	Add "prior to making their application", so it reads: 1.3.2.3 The methodology for calculating credit exposure for various risks should be publicly available , so that Applicants have a general idea of the requirements prior to making their application.	Detroit Edison	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Wording
1.3.2.4	20	Change "how much" to "the amount of", so the sentence reads: "Determination of the amount of credit..."	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.2.5	21	Add "where applicable" so it reads: "1.3.2.5 Specific methodologies should be developed, where applicable, for each of the major types of risks that incorporate the dollar amount at risk and the period of time it remains at risk."	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Wording
1.3.2.5	23	Add the word "For" to each of the sub-headings for the bulleted items.	Reliant	Accept Change	Change Made in Working Draft	Wording
1.3.3.1	25	Change "the same" to "a given"	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.3.1	26	Change "or Default Provider." to "or an entity acting as the Default Provider."	Reliant	Accept with Modification: Change to "...serving as the Default Provider."	<i>Change Red-lined in Working Draft</i>	Wording
1.3.3.5	27	Change "credit evaluation" to "creditworthiness evaluation" (also 1.3.3.6)	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.3.6	28	Change "may" to "should"	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.3.6	29	Change "credit evaluation" to "creditworthiness evaluation" (also 1.3.3.5)	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording

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1.3.3.8	30	Change "by" to from"	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.3.10	34	Change first sentence to read: "When the creditworthiness requirement is being met through a guarantee arrangement, the creditworthiness requirements that apply to the Applicant also apply to the Guarantor."	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Wording
1.3.3.10	35	Change second sentence to read: "In addition to submitting supporting financial documents, the Guarantor should also provide documentation of the guarantee arrangements, as applicable"	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Wording
1.3.3.10	36	Parental guarantee, second bullet: change "these" to "this" and add "for the Applicant" at end of sentence	Reliant	Accept Change	Change Made in Working Draft	Wording
1.3.3.10	37	Foreign Guarantor, second bullet: change "party" to "Guarantor"	Reliant	Accept Change	Change Made in Working Draft	Wording
1.3.3.12	39	First sentence: Add "creditworthiness" so it reads: "The Creditor should provide the results of the creditworthiness evaluation..."	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.3.12	40	Second sentence: Change "may" to "should"	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.3.12	41	Third sentence: Delete the word "written"	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Wording
1.3.4.1	42	Add the word "thirty" to the number "(30)".	Reliant	Accept Change	Change Made in Working Draft	Wording
1.3.4.2	44	Second sentence: Move "with the Applicant" so it reads: "The Creditor should also review with the Applicant the data used as inputs..."	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.4.2	45	Add the word "ten" to the number "(10)" in the last sentence.	Reliant	Accept Change	Change Made in Working Draft	Wording
1.3.5.2	46	Remove the words "made in", so it reads: Requests for security...should be in writing..."	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.5.3	47	Change wording to read: "When a Creditor requests security or a deposit and the required security or deposit is not tendered within the period specified in the appropriate governing document (e.g., Billing Services Agreement), the Creditor may begin taking actions to reduce its exposure, including:"	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.5.3	48	Move "and/or" from the end of the second bullet point to the end of the third.	Reliant	Accept Change	Change Made in Working Draft	Wording

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1.3.5.4	49	Re-word as follows: "When the Applicant is a Supplier and it can partially, but not fully, meet a request for security or deposit in the time period specified in the appropriate governing document, it can avoid disqualification by reducing the risk exposure it presents to the Distribution Company to an amount commensurate with the amount of security or deposit tendered."	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.6.1	50	1.3.6.1.1 Remove the word "to" - to change "to secure" to "secure".	Reliant	Leave as is	No change in Working Draft	Wording
1.3.7.1	54	First bullet point: Close sentence with "...within five (5) days of receipt of written notice." <b>(Should this be five "business days"?)</b>	Reliant	Accept Change, if keep current content	<i>Change Red-lined in Working Draft</i>	Wording
1.3.7.1	56	Fourth bullet point: Add "prior to the cure" at the end of sentence, so it reads: "Any applicable cured period ends prior to the cure."	Reliant	Leave as is, the third bullet point says payment hasn't been made.	<i>Change Red-lined in Working Draft</i>	Wording
1.3.7.3	57	Change "who" to "that" so it reads: "...Applicant (that is a Supplier)..."	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.8.1	58	Add "evaluation" to first sentence so it refers to the "creditworthiness evaluation process"	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.3.8.1	59	Add "should be" before "deemed confidential" so the phrase reads "...provided, should be deemed confidential, and ..."	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Wording
1.5.1.2	64	Change to read: "Model Non-Disclosure Agreement"	Reliant	Accept Change	Change Made in Working Draft	Wording
NDA-3	68	Divide old paragraph 3 into new paragraphs 4 and 6: <i>(See red-line working draft)</i>	Reliant	Discuss at Meeting	Discuss at Meeting - Change shown in redline	Wording

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1.1.1.2	1	Change "Utility" to "Distribution Company"	Reliant	Accept Change	Change Made in Working Draft	Content/ Meaning
1.2.1.2	2	Delete second sentence, since covered by new MBP 1.3.1.2 which states "Either the Supplier or the Distribution Company may take on the role of Applicant or Creditor."	Reliant	Accept Change - Makes more sense as an MBP	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
1.2.1.5	3	Delete second sentence, since covered by new MBP 1.3.1.2 which states "Either the Supplier or the Distribution Company may take on the role of Applicant or Creditor."	Reliant	Accept Change - Makes more sense as an MBP	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
1.2.4.4	10	Delete definition of Periodic Reconsideration since it doesn't appear in the document.	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
1.3.1.2	17	Insert new Model Business Practice that reads: "1.3.1.2 Either the Supplier or the Distribution Company may take on the role of Applicant or Creditor."	Reliant	Accept Change	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
1.3.3.11	38	Change 30 days to 5 business days.	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
1.3.4.2	43	Add: "within five (5) business days of receipt" so first sentence reads: The Creditor should respond to a timely Challenge within five (5) business days of receipt by providing..."	Reliant	Accept change--adds a needed time frame.	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
1.3.6.1	52	1.3.6.1.4: Explains process, but doesn't explain what a Letter of Guaranty is.	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
1.3.7.1	55	First bullet point: Need to decide on appropriate time period.	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
1.3.7.1	8	First bullet: Did we decide on 5 days?	Detroit Edison	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
1.3.8.2	60	Delete reference to Model Non-disclosure Agreement.	Reliant	Accept Change	Change Made in Working Draft	Content/ Meaning
1.3.8.3	62	Second bullet point: Re-word to: ". Cooperate with the Applicant in seeking a protective order or other appropriate remedy from the Applicable Regulatory Authority."	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
1.5.1.1	63	If we keep the diagram(s), I don't believe they should become 'model business practices'. They can be included in the 'standards book' as information. GISB has handled flow diagrams in this manner. An example can be found in the Business Process and Practices section of the WGQ Capacity Release standards book.	Reliant	Discuss at Meeting	<i>Need to discuss purpose/location of diagrams at meeting</i>	Content/ Meaning

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NDA-1	65	Add language to first sentence in Paragraph One to make the application confidential as stated in MBP's: <i>(See red-line working draft)</i>	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
NDA-2	66	Paragraph 2: Ad "or delivery" so the sentence closes with "...may enter into a written contract for the supply or delivery of electricity and/or gas."	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
NDA-2	67	Add new paragraph as Paragraph 3: <i>(See red-line working draft)</i>	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
NDA-3	69	Add new Paragraph 5 <i>(See red-line working draft)</i>	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
NDA-4	70	Paragraph 4 (new 7): Fix number of sub-items and add the word "rightfully" on sub-item C (new C) so it reads: (c) "Was rightfully in Recipients possession free of any obligation of confidence at the time of Company's communication thereof to Recipient;"	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
NDA-5	71	Paragraph 5 (new 8): Add " in the opinion of counsel for Recipient" to last sentence <i>(See red-line working draft)</i>	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
NDA-5	72	Insert new paragraph 9 that discusses ownership of the confidential information.: <i>(See red-line working draft)</i>	Reliant	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	Content/ Meaning
NDA-11	73	Paragraph 11 (new 14), Add "(a)", so there is an "(a)" to go with the "(b)" that is already there. Paragraph will now start with "The agreement: (a) is the complete..."	Reliant	Accept Change	Change Made in Working Draft	Grammar