

**Comments on Creditworthiness Draft #8 for Discussion at July 15-16, 2003 Meeting
Sorted by Section**

Section	Cmnt #	Comment	Commenter	Recommendation	Working Draft Status for 7/15/03	Type	Issue
0.0.0.0	2	Model Business Practices requiring verification should utilize email as is envisioned in Proposed Creditworthiness Standards under development in NAESB's Wholesale Gas Quadrant. This is not meant to exclude the use of signatures or mail return receipts but more to make more effective use of time when limits are placed upon response time	National Fuel Gas Dist (May)				
				Discussed (5/15) - incorporated in 1.3.1.7, 1.3.3.13,(Does this need further discussion?)		3) Content/ Meaning	General
0.0.0.0	1	NFGD proposes that rather than set specific timelines within the model business practices, that variables be provided (e.g. Creditor will respond within [x] days). This type of approach would permit utilities some flexibility to develop tables, for example, that identify values of [x] for different classes of customers. Such identification should be public and could provided within utility tariffs, operating manuals, etc...	National Fuel Gas Dist (May)				
				Discuss at Meeting		3) Content/ Meaning	Timing
1.0.2.1	1	First paragraph of scope replace "procedures/processes with ""procedures and processes"	Southern Co	Make the change		Change Red-lined in Working Draft	1) Grammar/ Punctuation
1.0.2.1	2	Make "retail access" lower case--global change	Southern Co	Make the change		Change Red-lined in Working Draft	1) Grammar/ Punctuation
1.0.2.2	3	Add "the", so first bulleted point reads: "...by <u>the</u> Applicable Regulatory Authority..."	Southern Co	Make the change		Change Red-lined in Working Draft	2) Wording
1.0.2.4	4	Insert a line between third and fourth bulleted items.	Southern Co	Make the change		Change Red-lined in Working Draft	1) Grammar/ Punctuation
1.0.2.6	1	Question on scope statement exclusion of wholesale transactions: <i>"Where are these risks addressed?"</i>	Cinergy	In early meetings the consensus was that wholesale risks belong in the Wholesale Quadrants.			3) Content/ Meaning General
1.0.2.9	5	Change "energy/capacity" to "energy and/or capacity" in third bullet point following 2nd major paragraph	Southern Co	Make the change		Change Red-lined in Working Draft	1) Grammar/ Punctuation
1.0.2.10	6	Comment on third major paragraph (excluding customer risks) <i>This is unclear – could be confused to mean that the standards do not include prepayments, deposits, etc., when they actually do as far as risk exposure, but not as far as risk from supplier failure or withdrawal from market. Needs clarification.</i>	Southern Co	Discuss at Meeting-- <i>Intent was risks between the Supplier and Customer are excluded, such as recovery of deposits made to Supplier</i>			3) Content/ Meaning General
1.0.3.0	1	Add a new Principal that states the MBP's address process and do not create an entitlement to unsecured credit	National Fuel Gas Dist				3) Content/ Meaning General
				Discuss at Meeting			
1.0.3.1	7	Change "start/maintain" To "start and/or maintain"	Southern Co	Make the change		Change Red-lined in Working Draft	1) Grammar/ Punctuation
1.0.3.2	8	Question: Should "credit evaluation process" be a defined term.	Southern Co	Leave as undefined term			2) Wording

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1.0.3.3	9	Replace "re-evaluation" with "reconsideration" to be consistent.	Southern Co	Leave as is. Reconsideration refers to what triggers the evaluation process, not the process		2) Wording	
1.0.4.4	10	Offered definition of "Business Day"	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.4.7	11	Suggested change to definition of "Challenge"	Southern Co	Resolved by Glossary Subcommittee 6/20/03		0) Definition	
1.0.4.12	12	Offered new definition of "Cure Period"	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.5.1	13	Fix typo in "Governing Documents" definition	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.5.1	2	Definitions: Governing Documents, proposes addition, so it reads: "Documents that determine the interactions among parties, such as: regulatory documents (e.g., tariffs, rules, regulations <u>Distribution Company Notice filings with the Applicable Regulatory Authority</u>), contractual agreements, and Distribution Company operational manuals.	Cinergy	Discuss at Meeting--Can we live with Glossary Subcommittee definition?		0) Definition	
1.0.5.2	14	Offered new definition of "Guarantor"	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.5.3	15	Capitalize "Guaranty" in definition	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.5.4	16	Wording change to "Letter of Credit"	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.5.5	1	Definitions: Material Change: change last phrase to read: "...or may impact the Applicant's <u>or Guarantor's</u> ability to perform on <u>its their respective</u> obligations."	Con Ed	Resolved by Glossary Subcommittee 6/20/03		0) Definition	
1.0.5.5	2	Change definition of Material Change to read: "Any change in the Applicant's (or Guarantor's) financial or other condition that might reasonably affect the amount of <u>secured and</u> unsecured credit extended to that Applicant or may impact the Applicant's ability to perform on its obligations"	National Fuel Gas Dist	Resolved by Glossary Subcommittee 6/20/03		3) Content/ Meaning	Unsecured
1.0.5.12	17	Wording changes to "Surety Bond"	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.5.14	18	Delete definition of "Utility"	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.6.1	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 (May)	Discuss at Meeting	<i>Moved to Introductory Section based on 6/19/03 Conference Call</i>	4) Process Diagrams	

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1.0.6.1	19	Comment on process flow diagrams: <i>All references to time should be eliminated until consensus is reached on timeframes.</i>	Southern Co	Discuss at Meeting		4) Process Diagrams	
1.0.6.2	20	Comment on process flow diagrams: <i>Add specific MBP section references (eg. 1.3.1.4 in first blue block) to all blocks</i>	Southern Co	Discuss at Meeting		4) Process Diagrams	
1.0.6.3	21	Comment on process flow diagrams: <i>Place each chart adjacent to its respective Section. (related comment on 1.1.3-- Are these the flow charts?)</i>	Southern Co	Discuss at Meeting		4) Process Diagrams	
1.1.1.1	2	Comment: <i>I disagree with this concept. While I encourage the supplier to do a credit review on its utility, the sole purpose of this review should be to determine the cost and risks of doing business in that service territory. A Distribution Company should not be required to provide credit support unless it is previously approved by the appropriate utility commission."</i>	Con Ed	Discuss at Meeting		3) Content/ Meaning	General
1.2.1.2	22	Eliminate capitalization of "default", it's not a defined term.	Southern Co	Make the change	<i>Change Red-lined in Working Draft</i>	1) Grammar/ Punctuation	
1.2.1.3	23	Spell out "dollars" and "percentage" in parenthetical phrase in bullet point	Southern Co	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	1) Grammar/ Punctuation	
1.3.0.0	1	Change heading to: "Determination of Initial Credit Limit" or "Initial Credit Limit Determination" (Eliminate reference to unsecured)	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	Unsecured
1.3.1.1	3	Change wording to: "Unsecured credit limits should be determined using the same criteria and methodology for all Applicants presenting a given risk in a given program , such as the risk associated with Consolidated Billing or the Distribution Company providing replacement energy when a Supplier defaults. <u>The Creditor may consider other exposure to Applicant beyond the specific program being applied for and/or outside the scope of this document as appropriate.</u> "	Con Ed	Discuss at Meeting		3) Content/ Meaning	General
1.3.1.1	2	Change wording as follows: "The initial credit determination, including credit limits, Unsecured-credit limits- should be determined using the same criteria and methodology for all Applicants presenting a given risk, such as the risk associated with Consolidated Billing or the Distribution Company providing replacement energy when a Supplier defaults."	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	Unsecured
1.3.1.2	4	Change wording to: "Determination of the amount of credit to extend to a particular Applicant may be based on Applicant-Creditor agreement, regulatory policy, or both <u>applicable Distribution Company procedure.</u> "	Con Ed	Discuss at Meeting		3) Content/ Meaning	General
1.3.1.2	3	Change MBP 1.3.1.2 as follows: "Determination of the amount of credit to extend to a particular Applicant may be based on Applicant-Creditor agreement, regulatory policy or both <u>Governing Documents.</u> "	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	General

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1.3.1.3	4	Add other reference to MBP 1.3.1.3, so it allows reference to a tariff or state-mandated checklist: "The Creditor should make available to all Applicants a Credit Application Form that includes a checklist <u>or other reference</u> of required supporting financial documents.	National Fuel Gas Dist	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
1.3.1.3	24	Remove extra line after MBP 1.3.1.3	Southern Co	Make the change	<i>Change Red-lined in Working Draft</i>	1) Grammar/ Punctuation	
1.3.1.4	5	Comment: <i>"One electronic version, either PDF or MWord, of the financials should be enough, and the Credit Application Form should be signed and certified that the information provided is complete and accurate in all material respects."</i>	Con Ed	Discuss at Meeting		3) Content/ Meaning	General
1.3.1.4	5	# of copies is an arbitrary number, one set is sufficient, let Creditor make needed number of copies. Change MBP 1.3.1.4 as follows: "The Applicant should submit to the Creditor the original and two copies of the completed Credit Application Form and three sets <u>one set</u> of the required supporting financial documents."	National Fuel Gas Dist	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
1.3.1.4	25	Remove extra line after MBP 1.3.1.4	Southern Co	Make the change	<i>Change Red-lined in Working Draft</i>	1) Grammar/ Punctuation	
1.3.1.7	3	Change first sentence as follows: "The Creditor should evaluate the Applicant's Credit Application Form and all supporting financial documents for completeness and notify the Applicant of any missing elements within five (5) business days of receipt <u>or within the time frame specified by the Applicable Regulatory Authority.</u> "	Cinergy			3) Content/ Meaning	Timing
1.3.1.10	4	Change lead-in sentences follows: "Supporting financial documents <u>requested by the Creditor</u> may include:"	Cinergy	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	2) Wording	
1.3.1.10	26	Questions capitalization of SEC?	Southern Co	Discuss at Meeting		1) Grammar/ Punctuation	
1.3.1.11	2	Replace "Certificate of Incumbency" with "Certificate of Authority" throughout the document to match new defined term. (3 occurrences in 1.3.1.11)	Detroit Edison	Make the change	<i>Change Red-lined in Working Draft</i>	2) Wording	
1.3.1.11	6	Add another bullet point under "For a Foreign Guarantor": <u>"Tax representations and other supporting documents deemed appropriate by Creditor's tax counsel."</u>	Con Ed	Discuss at Meeting		3) Content/ Meaning	General
1.3.1.12	5	Add ARA timeframe phrase, so it reads: "The Creditor should complete the creditworthiness evaluation within thirty (30) days (Reliant suggested 5 business days) of receipt of all required documents <u>or within the timeframe specified by the Applicable Regulatory Authority.</u> "	Cinergy	Discuss at Meeting		3) Content/ Meaning	Timing
1.3.1.12	3	Need a short time frame than 30 days, maybe 5/10 Business Days	Detroit Edison	Discuss at Meeting		3) Content/ Meaning	General

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1.3.1.12	27	Proposes new wording with "X" for timing: <u>"The Creditor should complete the creditworthiness evaluation within (x) Days. The value for (x) should be specified in the appropriate Governing Documents."</u>	Southern Co	Discuss at Meeting		3) Content/ Meaning	Timing
1.3.1.12	6	Five days is too short, modify MBP 1.3.1.12 to read: "The Creditor should complete the creditworthiness evaluation <u>as soon as possible after receipt of the completed application and supporting documents; however, under no circumstances shall the completed evaluation period exceed within</u> 30 days."	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	Timing
1.3.1.12	13	Replace specified timing with "X" (Tied to comment #1).	National Fuel Gas Dist (May)	Discuss at Meeting		3) Content/ Meaning	Timing
1.3.1.12	38	Change 30 days to 5 business days.	Reliant (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	Timing
1.3.1.13	14	Replace specified timing with "X" (Tied to comment #1).	National Fuel Gas Dist (May)	Discuss at Meeting		3) Content/ Meaning	Timing
1.4.0.0	3	Change heading to: "Reconsideration of Initial Determination of Credit Limit"	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	Unsecured
1.4.1.1	28	Capitalize first use of "challenge" in first sentence.	Southern Co	Leave as is-- the first "challenge" is a verb.		1) Grammar/ Punctuation	
1.4.1.1	15	Replace specified timing with "X" (Tied to comment #1).	National Fuel Gas Dist (May)	Discuss at Meeting		3) Content/ Meaning	Timing
1.4.1.1	4	Delete "unsecured" so the sentence reads: "An Applicant should be granted an opportunity to challenge an initial unsecured credit limit determination. The Challenge should be submitted within thirty (30) days of receiving the written notification of the initial unsecured credit limit determination.	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	Unsecured
1.4.1.2	6	Add ARA timeframe phrase to first sentence: "The Creditor should respond to a timely Challenge within five (5) business days of receipt <u>or within the timeframe specified by the Applicable Regulatory Authority</u> by providing the rationale for its determinations and any calculations supporting the resulting credit limit."	Cinergy	Discuss at Meeting		3) Content/ Meaning	Timing
1.4.1.2	7	Add ARA timeframe phrase to last sentence, so it reads: "If there were material errors or omissions, the Creditor should re-evaluate the Applicant's creditworthiness within ten (10) business days of receipt of corrected information <u>or within the timeframe specified by the Applicable Regulatory Authority</u> ."	Cinergy	Discuss at Meeting		3) Content/ Meaning	Timing
1.4.1.4	16	Replace specified timing with "X" (Tied to comment #1).	National Fuel Gas Dist (May)	Discuss at Meeting		3) Content/ Meaning	Timing

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1.4.1.5	7	Modify 1.4.1.5 to specifically allow periodic reviews of Applicant's creditworthiness: "A Creditor may <u>periodically</u> re-evaluate the creditworthiness of an Applicant <u>and</u> whenever it becomes aware of an adverse Material Change in the Applicant's financial condition."	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	General
1.4.1.6	12	Replace specified timing with "X" (Tied to comment #1).	National Fuel Gas Dist (May)	Discuss at Meeting		3) Content/ Meaning	Timing
1.5.1.4	29	Change "deposit" to "Cash Deposit" and Capitalize "Cash Deposit" both times it's used. Also impacts MBP 1.5.1.5 (changed there also)	Southern Co	Make the change	<i>Change Red-lined in Working Draft</i>	1) Grammar/ Punctuation	
1.5.1.4	7	Comment on third bullet point: <i>"I'm not sure what is meant here. For example, does this mean we can refuse to provide imbalance gas to an Applicant that has not provided adequate collateral for its consolidated electric billing program? While I have commented above that a credit review should include a comprehensive evaluation of all products and services provided to an Applicant and all security that has been provided (see comment to 1.3.11, above, this seems to imply that the program governed by this standard take priority over others."</i>	Con Ed	Discuss at Meeting		3) Content/ Meaning	General
1.5.1.4	8	Modify MBP 1.5.1.4 to allow for restrictions on moving Customers to dual billing: "Moving any of the Applicant's Customers currently on Applicant Consolidated Billing to Dual Billing, effective on the Customer's next normally scheduled bill (<u>if allowable allowed under the Billing Agreement, tariff or state regulations</u>);"	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	General
1.6.1.1	8	Change wording as follows: "Creditors should offer the option of one or more of the following <u>forms methods and/or security instruments</u> to of secured credit to those Applicants who do not qualify for sufficient unsecured credit <u>for the risks that they present</u> ."	Con Ed	Discuss at Meeting		2) Wording	
1.6.1.1	10	Re-word paragraph after bulleted list as follows: "Such <u>credit option(s) methods and security instruments</u> should be acceptable to the Creditor, provided that the Creditor's acceptance should not be unreasonably withheld, and in accordance with standard industry practices. The Creditor and Applicant may mutually agree that the Applicant will provide other forms of credit options."	Con Ed	Discuss at Meeting	<i>See related DE comment</i>	2) Wording	
1.6.1.1	1	Change first sentence of second paragraph, so it reads: <u>"Such credit option(s) should be in accordance with standard industry practices and acceptable to the Creditor. The Creditor's acceptance should not be unreasonably withheld."</u>	Detroit Edison	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	2) Wording	
1.6.1.1	30	Add "held" to first sentence, so it reads: "Such credit option(s) should be acceptable to the Creditor, provided that the Creditor's acceptance should not be unreasonably withheld, and <u>held</u> in accordance with standard industry practices. "	Southern Co	Discuss at Meeting--Modify wording as suggested in DE comment	<i>See related DE comment</i>	2) Wording	

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1.6.1.1	4	Delete Surety Bonds	Detroit Edison	Discuss at Meeting		3) Content/ Meaning	General
1.6.1.1	9	Delete Surety Bonds and Security Interest in Collateral from bulleted list	Con Ed	Discuss at Meeting		3) Content/ Meaning	General
1.6.1.1	31	Does "standard industry practices" need to be defined (like "Good Utility Practice")?	Southern Co	Leave as is.		1) Grammar/ Punctuation	
1.7.1.1	32	Add "The" in front of Creditor, so sentence reads: " <u>The</u> Creditor may call upon..."	Southern Co	Make the change	<i>Change Red-lined in Working Draft</i>	2) Wording	
1.7.1.1	5	First bullet: Change wording to: "The Creditor provides notice to the Applicant of its intent to call upon the security posted by the Applicant unless the Applicant makes payment, <u>or otherwise cures the default</u> , within the Cure Period;	Maine Public Advocate	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
1.7.1.1	5	Add delivery method to first bullet point so it reads: "The Creditor provides notice to the Applicant <u>delivered by overnight delivery, facsimile, or e-mail</u> of its intent to call upon the security posted by the Applicant unless the Applicant makes payment within the Cure Period;"	Detroit Edison	Discuss at Meeting		3) Content/ Meaning	General
1.7.1.1	11	Delete 2nd bullet that deals with written notice of default. Also comments: <i>There should be only one cure period, which starts when the notice in the previous bullet point is sent.</i>	Con Ed	Discuss at Meeting-- <i>first bullet deals with notice of intent to call, second deals with notice of default</i>		3) Content/ Meaning	General
1.7.1.1	6	Third bullet: Change wording to: "Payment <u>or other required action to cure the default</u> is not made within the Cure Period."	Maine Public Advocate	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
1.7.1.4	9	Delete reference to bankruptcy petition being dismissed within 20 days in MBP 1.7.1.4--it's not needed (Mike N to explain) "The Creditor may call upon the security posted by the Applicant without prior notice if the Applicant files a petition for bankruptcy (or equivalent, including the filing of an involuntary petition in bankruptcy against the Applicant, <u>if the petition is not dismissed within 20 days</u>)."	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	General
1.7.1.4	18	Replace specified timing with "X" (Tied to comment #1).	National Fuel Gas Dist (May)	Discuss at Meeting		3) Content/ Meaning	Timing
1.7.1.5	7	Comment: <i>"Do you mean provide energy, or could billing failure or closing a customer call center trigger this action?"</i> (cause the Distribution Company to call upon the security)	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	General
1.8.1.1	33	Comment: <i>Note: should this reporting be done without the knowledge of the Applicant? Would the Creditor need to get the Applicant to sign something saying they acknowledge that the Creditor could disclose this information? Needs more specificity. This is not consistent with Non-Disclosure Agreement shown in MBP.</i>	Southern Co	Discuss at Meeting		3) Content/ Meaning	General

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1.8.1.1	8	Change second sentence as follows: " <u>This information The nonpublic credit and information content of the creditworthiness evaluation</u> should be deemed confidential, and should not be subject to public disclosure <u>except as required by the Applicable Regulatory Authority.</u> "	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	General
1.8.1.2	34	Comment: <i>Note: should Non-Disclosure Agreement be capitalized?</i>	Southern Co	Discuss at Meeting		1) Grammar/ Punctuation	
1.8.1.2	35	Comment: <i>This sounds like somewhat of a requirement. If the Applicant doesn't care, why should an Agmt be executed?</i>	Southern Co	Discuss at Meeting		3) Content/ Meaning	General
1.8.1.2	10	Qualify MBP 1.8.1.2 so that a Non-Disclosure Agreement is not needed if no Confidential information is provided in the Creditworthiness evaluation process: "When entering into the creditworthiness evaluation process, <u>if proprietary and/or confidential information is to be submitted and reviewed</u> , the Applicant and the Creditor should execute a non-disclosure agreement, unless non-disclosure is provided for within the Governing Documents."	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	General
1.8.1.3	36	Comment: <i>Note: This is not necessarily consistent with the Non-Disclosure Agreement.</i>	Southern Co	Discuss at Meeting		3) Content/ Meaning	General
NDA- 0	9	Make conforming changes in NDA to refer to the Applicant and the Creditor.	Maine Public Advocate	Accept--make the changes	<i>Change Red-lined in Working Draft</i>	2) Wording	
NDA- 0	37	Make conforming changes in NDA to refer to the Applicant and the Creditor.	Southern Co	Accept--make the changes	<i>Change Red-lined in Working Draft</i>	2) Wording	
NDA- 11	43	Change NDA paragraph 11 as follows: "This Agreement shall become effective as of the date <u>when both parties have signed below first written above</u> and shall expire one (1) year <u>three (3) years</u> thereafter unless extended or renewed by Parties in writing."	Southern Co	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
NDA- 2	38	Delete "of Confidential Information" at beginning of first sentence so the sentence reads: "Creditor may use Confidential Information only for..."	Southern Co	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	2) Wording	
NDA- 2	39	Delete "and/or gas" at end of paragraph 2.	Southern Co	Leave as is--need to cover both fuels		3) Content/ Meaning	General
NDA- 3	40	Replace "have" with "such information has" at second to last line of paragraph, so it reads: "...so long as the contents of the Confidential Information constitute material, nonpublic, confidential information obtained pursuant to this Agreement, and <u>have such information has</u> not been publicly disclosed..."	Southern Co	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	2) Wording	
NDA- 6	41	Delete NDA paragraph 6 in its entirety.	Southern Co	Discuss at Meeting		3) Content/ Meaning	General

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NDA- 9	42	Revise third sentence of NDA paragraph 9 so it reads: "At Applicant's request, at the conclusion of its review of the Confidential Information, the Creditor agrees to promptly return or destroy all copies of the Confidential Information in any form whatsoever (including, but not limited to, any reports, memoranda, or other materials prepared by the Creditor, or at its discretion) and Creditor will , upon request, cause one of its Representatives to verify such return or destruction."	Southern Co	Discuss at Meeting		2) Wording	
NDA-1	10	Eliminate references to Applicant's name, the NDA, and the fact they have applied as confidential information (Take these out of Reliant suggested addition, so first sentence reads: . "Confidential Information" means information that relates to the nonpublic financial information concerning the financial condition of Company or any of Company's Affiliates which and that is disclosed to Recipient by Company or any of Company's Affiliates and shall include the name of the Company, the existence of this Agreement, and the fact that Company has asked Recipient to evaluate its financial status. "	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	Keeping Application Non-Public
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 (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
NDA-14	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 (May)	Accept Change	<i>Change Red-lined in Working Draft</i>	1) Grammar/ Punctuation	
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 (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
NDA-2	67	Add new paragraph as Paragraph 3: <i>(See red-line working draft)</i>	Reliant (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
NDA-3	11	Replace "covenants" with "promises", so it reads: "Recipient covenants <u>promises</u> that it will not, and will advise its officers, directors, employees, consultants"	Maine Public Advocate	Discuss at Meeting		2) Wording	
NDA-3	68	Divide old paragraph 3 into new paragraphs 4 and 6: <i>(See red-line working draft)</i>	Reliant (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	2) Wording	
NDA-3	69	Add new Paragraph 5 <i>(See red-line working draft)</i>	Reliant (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
NDA-3	11	The use of "will not, and will" is confusing in paragraph 3 of Non-Disclosure Agreement--can it be clarified?	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	General
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 (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
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 (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General

**Comments on Creditworthiness Draft #8 for Discussion at July 15-16, 2003 Meeting
Sorted by Section**

Section	Cmnt #	Comment	Commenter	Recommendation	Working Draft Status for 7/15/03	Type	Issue
NDA-5	72	Insert new paragraph 9 that discusses ownership of the confidential information.: <i>(See red-line working draft)</i>	Reliant (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
NDA-5 (New 5)	12	Comment: <i>"I do not see the point of this paragraph in light of the other promises. What is being added here?"</i>	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	General
NDA-8 (New 8)	13	Delete Reliant's proposed change--"in the opinion of counsel for Recipient" -- from the last sentence, so it reads: "Recipient further agrees that if Company is not successful in precluding the requesting legal body from requiring the disclosure of the Confidential Information, Recipient will furnish only that portion of the Confidential Information, which, in the opinion of counsel for Recipient, is legally required to be furnished, and Recipient will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information."	Maine Public Advocate	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
NDA-9 (New 9)	14	Don't make this proposed addition (New 9). Comment: <i>"I don't think that this provision would be appropriate in light of the potential for regulatory review of future disputes or other actions taken between the regulated Distribution Company and a Supplier".</i>	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	General

**Comments on Creditworthiness Draft #8 for Discussion at July 15-16, 2003 Meeting
Sorted by Type of Comment**

Section	Cmnt #	Comment	Commenter	Recommendation	Working Draft Status for 7/15/03	Type	Issue
1.0.4.4	10	Offered definition of "Business Day"	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.4.7	11	Suggested change to definition of "Challenge"	Southern Co	Resolved by Glossary Subcommittee 6/20/03		0) Definition	
1.0.4.12	12	Offered new definition of "Cure Period"	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.5.1	13	Fix typo in "Governing Documents" definition	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.5.1	2	Definitions: Governing Documents, proposes addition, so it reads: "Documents that determine the interactions among parties, such as: regulatory documents (e.g., tariffs, rules, regulations <u>Distribution Company Notice filings with the Applicable Regulatory Authority</u>), contractual agreements, and Distribution Company operational manuals.	Cinergy	Discuss at Meeting--Can we live with Glossary Subcommittee definition?		0) Definition	
1.0.5.2	14	Offered new definition of "Guarantor"	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.5.3	15	Capitalize "Guaranty" in definition	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.5.4	16	Wording change to "Letter of Credit"	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.5.5	1	Definitions: Material Change: change last phrase to read: "...or may impact the Applicant's <u>or Guarantor's</u> ability to perform on- is <u>their respective</u> obligations."	Con Ed	Resolved by Glossary Subcommittee 6/20/03		0) Definition	
1.0.5.12	17	Wording changes to "Surety Bond"	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.5.14	18	Delete definition of "Utility"	Southern Co	Resolved by Glossary Subcommittee 7/8/03		0) Definition	
1.0.2.1	1	First paragraph of scope replace "procedures/processes with ""procedures and processes"	Southern Co	Make the change	Change Red-lined in Working Draft	1) Grammar/Punctuation	
1.0.2.1	2	Make "retail access" lower case--global change	Southern Co	Make the change	Change Red-lined in Working Draft	1) Grammar/Punctuation	
1.0.2.4	4	Insert a line between third and fourth bulleted items.	Southern Co	Make the change	Change Red-lined in Working Draft	1) Grammar/Punctuation	
1.0.2.9	5	Change "energy/capacity" to "energy and/or capacity" in third bullet point following 2nd major paragraph	Southern Co	Make the change	Change Red-lined in Working Draft	1) Grammar/Punctuation	
1.0.3.1	7	Change "start/maintain" To "start and/or maintain"	Southern Co	Make the change	Change Red-lined in Working Draft	1) Grammar/Punctuation	

**Comments on Creditworthiness Draft #8 for Discussion at July 15-16, 2003 Meeting
Sorted by Type of Comment**

Section	Cmnt #	Comment	Commenter	Recommendation	Working Draft Status for 7/15/03	Type	Issue
1.2.1.2	22	Eliminate capitalization of "default", it's not a defined term.	Southern Co	Make the change	<i>Change Red-lined in Working Draft</i>	1) Grammar/ Punctuation	
1.2.1.3	23	Spell out "dollars" and "percentage" in parenthetical phrase in bullet point	Southern Co	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	1) Grammar/ Punctuation	
1.3.1.3	24	Remove extra line after MBP 1.3.1.3	Southern Co	Make the change	<i>Change Red-lined in Working Draft</i>	1) Grammar/ Punctuation	
1.3.1.4	25	Remove extra line after MBP 1.3.1.4	Southern Co	Make the change	<i>Change Red-lined in Working Draft</i>	1) Grammar/ Punctuation	
1.3.1.10	26	Questions capitalization of SEC?	Southern Co	Discuss at Meeting		1) Grammar/ Punctuation	
1.4.1.1	28	Capitalize first use of "challenge" in first sentence.	Southern Co	Leave as is-- the first "challenge" is a verb.		1) Grammar/ Punctuation	
1.5.1.4	29	Change "deposit" to "Cash Deposit" and Capitalize "Cash Deposit" both times it's used. Also impacts MBP 1.5.1.5 (changed there also)	Southern Co	Make the change	<i>Change Red-lined in Working Draft</i>	1) Grammar/ Punctuation	
1.6.1.1	31	Does "standard industry practices" need to be defined (like "Good Utility Practice")?	Southern Co	Leave as is.		1) Grammar/ Punctuation	
1.8.1.2	34	Comment: <i>Note: should Non-Disclosure Agreement be capitalized?</i>	Southern Co	Discuss at Meeting		1) Grammar/ Punctuation	
NDA-14	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 (May)	Accept Change	<i>Change Red-lined in Working Draft</i>	1) Grammar/ Punctuation	
1.0.2.2	3	Add "the", so first bulleted point reads: "...by <u>the</u> Applicable Regulatory Authority..."	Southern Co	Make the change	<i>Change Red-lined in Working Draft</i>	2) Wording	
1.0.3.2	8	Question: Should "credit evaluation process" be a defined term.	Southern Co	Leave as undefined term		2) Wording	
1.0.3.3	9	Replace "re-evaluation" with "reconsideration" to be consistent.	Southern Co	Leave as is. Reconsideration refers to what triggers the evaluation process, not the process		2) Wording	
1.3.1.10	4	Change lead-in sentences follows: "Supporting financial documents <u>requested by the Creditor</u> may include:"	Cinergy	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	2) Wording	
1.3.1.11	2	Replace "Certificate of Incumbency" with "Certificate of Authority" throughout the document to match new defined term. (3 occurrences in 1.3.1.11)	Detroit Edison	Make the change	<i>Change Red-lined in Working Draft</i>	2) Wording	

Note: Section #'s below 1.1.0.0 are for sorting the Overview material only--they are not numbered Sections
7/10/03 (Bill Newbold, Detroit Edison) NAESB, REQ/RGQ, SUIS

**Comments on Creditworthiness Draft #8 for Discussion at July 15-16, 2003 Meeting
Sorted by Type of Comment**

Section	Cmnt #	Comment	Commenter	Recommendation	Working Draft Status for 7/15/03	Type	Issue
1.6.1.1	8	Change wording as follows: "Creditors should offer the option of one or more of the following forms-methods and/or security instruments to secured credit to those Applicants who do not qualify for sufficient unsecured credit for the risks that they present.	Con Ed	Discuss at Meeting		2) Wording	
1.6.1.1	10	Re-word paragraph after bulleted list as follows: "Such credit option(s) methods and security instruments should be acceptable to the Creditor, provided that the Creditor's acceptance should not be unreasonably withheld, and in accordance with standard industry practices. The Creditor and Applicant may mutually agree that the Applicant will provide other forms of credit options.	Con Ed	Discuss at Meeting	See related DE comment	2) Wording	
1.6.1.1	1	Change first sentence of second paragraph, so it reads: " <u>Such credit option(s) should be in accordance with standard industry practices and acceptable to the Creditor. The Creditor's acceptance should not be unreasonably withheld.</u> "	Detroit Edison	Discuss at Meeting	Change Red-lined in Working Draft	2) Wording	
1.6.1.1	30	Add "held" to first sentence, so it reads: "Such credit option(s) should be acceptable to the Creditor, provided that the Creditor's acceptance should not be unreasonably withheld, and <u>held</u> in accordance with standard industry practices. "	Southern Co	Discuss at Meeting--Modify wording as suggested in DE comment	See related DE comment	2) Wording	
1.7.1.1	32	Add "The" in front of Creditor, so sentence reads: " <u>The</u> Creditor may call upon..."	Southern Co	Make the change	Change Red-lined in Working Draft	2) Wording	
NDA- 0	9	Make conforming changes in NDA to refer to the Applicant and the Creditor.	Maine Public Advocate	Accept--make the changes	Change Red-lined in Working Draft	2) Wording	
NDA- 0	37	Make conforming changes in NDA to refer to the Applicant and the Creditor.	Southern Co	Accept--make the changes	Change Red-lined in Working Draft	2) Wording	
NDA- 2	38	Delete "of Confidential Information" at beginning of first sentence so the sentence reads: "Creditor may use Confidential Information only for..."	Southern Co	Discuss at Meeting	Change Red-lined in Working Draft	2) Wording	
NDA- 3	40	Replace "have" with "such information has" at second to last line of paragraph, so it reads: "...so long as the contents of the Confidential Information constitute material, nonpublic, confidential information obtained pursuant to this Agreement, and have such information has not been publicly disclosed..."	Southern Co	Discuss at Meeting	Change Red-lined in Working Draft	2) Wording	
NDA- 9	42	Revise third sentence of NDA paragraph 9 so it reads: "At Applicant's request, at the conclusion of its review of the Confidential Information, the Creditor agrees to promptly return or destroy all copies of the Confidential Information in any form whatsoever (including, but not limited to, any reports, memoranda, or other materials prepared by the Creditor, or at its discretion) and Creditor will , upon request, cause one of its Representatives to verify such return or destruction."	Southern Co	Discuss at Meeting		2) Wording	

**Comments on Creditworthiness Draft #8 for Discussion at July 15-16, 2003 Meeting
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Section	Cmnt #	Comment	Commenter	Recommendation	Working Draft Status for 7/15/03	Type	Issue
NDA-3	11	Replace "covenants" with "promises", so it reads: "Recipient covenants <u>promises</u> that it will not, and will advise its officers, directors, employees, consultants"	Maine Public Advocate	Discuss at Meeting		2) Wording	
NDA-3	68	Divide old paragraph 3 into new paragraphs 4 and 6: <i>(See red-line working draft)</i>	Reliant (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	2) Wording	
0.0.0.0	2	Model Business Practices requiring verification should utilize email as is envisioned in Proposed Creditworthiness Standards under development in NAESB's Wholesale Gas Quadrant. This is not meant to exclude the use of signatures or mail return receipts but more to make more effective use of time when limits are placed upon response time	National Fuel Gas Dist (May)	<i>Discussed (5/15) - incorporated in 1.3.1.7, 1.3.3.13,(Does this need further discussion?)</i>		3) Content/ Meaning	General
1.0.2.6	1	Question on scope statement exclusion of wholesale transactions: <i>"Where are these risks addressed?"</i>	Cinergy	In early meetings the consensus was that wholesale risks belong in the Wholesale Quadrants.		3) Content/ Meaning	General
1.0.2.10	6	Comment on third major paragraph (excluding customer risks) <i>This is unclear – could be confused to mean that the standards do not include prepayments, deposits, etc., when they actually do as far as risk exposure, but not as far as risk from supplier failure or withdrawal from market. Needs clarification.</i>	Southern Co	Discuss at Meeting-- <i>Intent was risks between the Supplier and Customer are excluded, such as recovery of deposits made to Supplier</i>		3) Content/ Meaning	General
1.0.3.0	1	Add a new Principal that states the MBP's address process and do not create an entitlement to unsecured credit	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	General
1.1.1.1	2	Comment: <i>I disagree with this concept. While I encourage the supplier to do a credit review on its utility, the sole purpose of this review should be to determine the cost and risks of doing business in that service territory. A Distribution Company should not be required to provide credit support unless it is previously approved by the appropriate utility commission.</i>	Con Ed	Discuss at Meeting		3) Content/ Meaning	General
1.3.1.1	3	Change wording to: "Unsecured credit limits should be determined using the same criteria and methodology for all Applicants presenting a given risk in a given program , such as the risk associated with Consolidated Billing or the Distribution Company providing replacement energy when a Supplier defaults. <u>The Creditor may consider other exposure to Applicant beyond the specific program being applied for and/or outside the scope of this document as appropriate.</u> "	Con Ed	Discuss at Meeting		3) Content/ Meaning	General
1.3.1.2	4	Change wording to: "Determination of the amount of credit to extend to a particular Applicant may be based on Applicant-Creditor agreement, regulatory policy, or both <u>applicable Distribution Company procedure.</u> "	Con Ed	Discuss at Meeting		3) Content/ Meaning	General

**Comments on Creditworthiness Draft #8 for Discussion at July 15-16, 2003 Meeting
Sorted by Type of Comment**

Section	Cmnt #	Comment	Commenter	Recommendation	Working Draft Status for 7/15/03	Type	Issue
1.3.1.2	3	Change MBP 1.3.1.2 as follows: "Determination of the amount of credit to extend to a particular Applicant may be based on Applicant-Creditor agreement, regulatory policy or both <u>Governing Documents.</u> "	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	General
1.3.1.3	4	Add other reference to MBP 1.3.1.3, so it allows reference to a tariff or state-mandated checklist: "The Creditor should make available to all Applicants a Credit Application Form that includes a checklist <u>or other reference</u> of required supporting financial documents.	National Fuel Gas Dist	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
1.3.1.4	5	Comment: <i>"One electronic version, either PDF or MWWord, of the financials should be enough, and the Credit Application Form should be signed and certified that the information provided is complete and accurate in all material respects."</i>	Con Ed	Discuss at Meeting		3) Content/ Meaning	General
1.3.1.4	5	# of copies is an arbitrary number, one set is sufficient, let Creditor make needed number of copies. Change MBP 1.3.1.4 as follows: "The Applicant should submit to the Creditor the original and two copies of the completed Credit Application Form and three sets <u>one set</u> of the required supporting financial documents."	National Fuel Gas Dist	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
1.3.1.11	6	Add another bullet point under "For a Foreign Guarantor": <u>"Tax representations and other supporting documents deemed appropriate by Creditor's tax counsel."</u>	Con Ed	Discuss at Meeting		3) Content/ Meaning	General
1.3.1.12	3	Need a short time frame than 30 days, maybe 5/10 Business Days	Detroit Edison	Discuss at Meeting		3) Content/ Meaning	General
1.4.1.5	7	Modify 1.4.1.5 to specifically allow periodic reviews of Applicant's creditworthiness: "A Creditor may <u>periodically</u> re-evaluate the creditworthiness of an Applicant <u>and</u> whenever it becomes aware of an adverse Material Change in the Applicant's financial condition."	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	General
1.5.1.4	7	Comment on third bullet point: <i>"I'm not sure what is meant here. For example, does this mean we can refuse to provide imbalance gas to an Applicant that has not provided adequate collateral for its consolidated electric billing program? While I have commented above that a credit review should include a comprehensive evaluation of all products and services provided to an Applicant and all security that has been provided (see comment to 1.3.11, above, this seems to imply that the program governed by this standard take priority over others."</i>	Con Ed	Discuss at Meeting		3) Content/ Meaning	General
1.5.1.4	8	Modify MBP 1.5.1.4 to allow for restrictions on moving Customers to dual billing: "Moving any of the Applicant's Customers currently on Applicant Consolidated Billing to Dual Billing, effective on the Customer's next normally scheduled bill (<u>if allowable allowed under the Billing Agreement, tariff or state regulations</u>);"	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	General

**Comments on Creditworthiness Draft #8 for Discussion at July 15-16, 2003 Meeting
Sorted by Type of Comment**

Section	Cmnt #	Comment	Commenter	Recommendation	Working Draft Status for 7/15/03	Type	Issue
1.6.1.1	4	Delete Surety Bonds	Detroit Edison	Discuss at Meeting		3) Content/ Meaning	General
1.6.1.1	9	Delete Surety Bonds and Security Interest in Collateral from bulleted list	Con Ed	Discuss at Meeting		3) Content/ Meaning	General
1.7.1.1	5	First bullet: Change wording to: "The Creditor provides notice to the Applicant of its intent to call upon the security posted by the Applicant unless the Applicant makes payment, <u>or otherwise cures the default</u> , within the Cure Period;	Maine Public Advocate	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
1.7.1.1	5	Add delivery method to first bullet point so it reads: "The Creditor provides notice to the Applicant <u>delivered by overnight delivery, facsimile, or e-mail</u> of its intent to call upon the security posted by the Applicant unless the Applicant makes payment within the Cure Period;"	Detroit Edison	Discuss at Meeting		3) Content/ Meaning	General
1.7.1.1	11	Delete 2nd bullet that deals with written notice of default. Also comments: <i>There should be only one cure period, which starts when the notice in the previous bullet point is sent.</i>	Con Ed	Discuss at Meeting-- <i>first bullet deals with notice of intent to call, second deals with notice of default</i>		3) Content/ Meaning	General
1.7.1.1	6	Third bullet: Change wording to: "Payment <u>or other required action to cure the default</u> is not made within the Cure Period."	Maine Public Advocate	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
1.7.1.4	9	Delete reference to bankruptcy petition being dismissed within 20 days in MBP 1.7.1.4--it's not needed (Mike N to explain) "The Creditor may call upon the security posted by the Applicant without prior notice if the Applicant files a petition for bankruptcy (or equivalent, including the filing of an involuntary petition in bankruptcy against the Applicant, <u>if the petition is not dismissed within 20 days</u>)."	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	General
1.7.1.5	7	Comment: <i>"Do you mean provide energy, or could billing failure or closing a customer call center trigger this action?" (cause the Distribution Company to call upon the security)</i>	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	General
1.8.1.1	33	Comment: <i>Note: should this reporting be done without the knowledge of the Applicant? Would the Creditor need to get the Applicant to sign something saying they acknowledge that the Creditor could disclose this information? Needs more specificity. This is not consistent with Non-Disclosure Agreement shown in MBP.</i>	Southern Co	Discuss at Meeting		3) Content/ Meaning	General
1.8.1.1	8	Change second sentence as follows: " <u>This information</u> <u>The nonpublic credit and information content of the creditworthiness evaluation</u> should be deemed confidential, and should not be subject to public disclosure <u>except as required by the Applicable Regulatory Authority</u> ."	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	General

**Comments on Creditworthiness Draft #8 for Discussion at July 15-16, 2003 Meeting
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Section	Cmnt #	Comment	Commenter	Recommendation	Working Draft Status for 7/15/03	Type	Issue
1.8.1.2	35	Comment: <i>This sounds like somewhat of a requirement. If the Applicant doesn't care, why should an Agmt be executed?</i>	Southern Co	Discuss at Meeting		3) Content/ Meaning	General
1.8.1.2	10	Qualify MBP 1.8.1.2 so that a Non-Disclosure Agreement is not needed if no Confidential information is provided in the Creditworthiness evaluation process: "When entering into the creditworthiness evaluation process, <u>if proprietary and/or confidential information is to be submitted and reviewed</u> , the Applicant and the Creditor should execute a non-disclosure agreement, unless non-disclosure is provided for within the Governing Documents."	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	General
1.8.1.3	36	Comment: <i>"Note: This is not necessarily consistent with the Non-Disclosure Agreement."</i>	Southern Co	Discuss at Meeting		3) Content/ Meaning	General
NDA- 11	43	Change NDA paragraph 11 as follows: "This Agreement shall become effective as of the date <u>when both parties have signed below first written above</u> and shall expire one (1) year three- <u>(3) years</u> thereafter unless extended or renewed by Parties in writing."	Southern Co	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
NDA- 2	39	Delete "and/or gas" at end of paragraph 2.	Southern Co	Leave as is--need to cover both fuels		3) Content/ Meaning	General
NDA- 6	41	Delete NDA paragraph 6 in its entirety.	Southern Co	Discuss at Meeting		3) Content/ Meaning	General
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 (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
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 (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
NDA-2	67	Add new paragraph as Paragraph 3: <i>(See red-line working draft)</i>	Reliant (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
NDA-3	69	Add new Paragraph 5 <i>(See red-line working draft)</i>	Reliant (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
NDA-3	11	The use of "will not, and will" is confusing in paragraph 3 of Non-Disclosure Agreement--can it be clarified?	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	General
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 (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
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 (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General

**Comments on Creditworthiness Draft #8 for Discussion at July 15-16, 2003 Meeting
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Section	Cmnt #	Comment	Commenter	Recommendation	Working Draft Status for 7/15/03	Type	Issue
NDA-5	72	Insert new paragraph 9 that discusses ownership of the confidential information.: <i>(See red-line working draft)</i>	Reliant (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
NDA-5 (New 5)	12	Comment: <i>"I do not see the point of this paragraph in light of the other promises. What is being added here?"</i>	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	General
NDA-8 (New 8)	13	Delete Reliant's proposed change--"in the opinion of counsel for Recipient" --from the last sentence, so it reads: "Recipient further agrees that if Company is not successful in precluding the requesting legal body from requiring the disclosure of the Confidential Information, Recipient will furnish only that portion of the Confidential Information, which, in the opinion of counsel for Recipient, is legally required to be furnished, and Recipient will exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Confidential Information."	Maine Public Advocate	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	General
NDA-9 (New 9)	14	Don't make this proposed addition (New 9). Comment: <i>"I don't think that this provision would be appropriate in light of the potential for regulatory review of future disputes or other actions taken between the regulated Distribution Company and a Supplier".</i>	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	General
NDA-1	10	Eliminate references to Applicant's name, the NDA, and the fact they have applied as confidential information (Take these out of Reliant suggested addition, so first sentence reads: . "Confidential Information" means information that relates to the nonpublic financial information concerning the financial condition of Company or any of Company's Affiliates which and that is disclosed to Recipient by Company or any of Company's Affiliates and shall include the name of the Company, the existence of this Agreement, and the fact that Company has asked Recipient to evaluate its financial status. "	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	Keeping Application Non-Public
0.0.0.0	1	NFGD proposes that rather than set specific timelines within the model business practices, that variables be provided (e.g. Creditor will respond within [x] days). This type of approach would permit utilities some flexibility to develop tables, for example, that identify values of [x] for different classes of customers. Such identification should be public and could provided within utility tariffs, operating manuals, etc...	National Fuel Gas Dist (May)	Discuss at Meeting		3) Content/ Meaning	Timing
1.3.1.7	3	Change first sentence as follows: "The Creditor should evaluate the Applicant's Credit Application Form and all supporting financial documents for completeness and notify the Applicant of any missing elements within five (5) business days of receipt or within the time frame specified by the Applicable Regulatory Authority. "	Cinergy			3) Content/ Meaning	Timing

**Comments on Creditworthiness Draft #8 for Discussion at July 15-16, 2003 Meeting
Sorted by Type of Comment**

Section	Cmnt #	Comment	Commenter	Recommendation	Working Draft Status for 7/15/03	Type	Issue
1.3.1.12	5	Add ARA timeframe phrase, so it reads: "The Creditor should complete the creditworthiness evaluation within thirty (30) days (Reliant suggested 5 business days) of receipt of all required documents <u>or within the timeframe specified by the Applicable Regulatory Authority.</u> "	Cinergy	Discuss at Meeting		3) Content/ Meaning	Timing
1.3.1.12	27	Proposes new wording with "X" for timing: <u>"The Creditor should complete the creditworthiness evaluation within (x) Days. The value for (x) should be specified in the appropriate Governing Documents."</u>	Southern Co	Discuss at Meeting		3) Content/ Meaning	Timing
1.3.1.12	6	Five days is too short, modify MBP 1.3.1.12 to read: "The Creditor should complete the creditworthiness evaluation <u>as soon as possible after receipt of the completed application and supporting documents; however, under no circumstances shall the completed evaluation period exceed within 30 days.</u> "	National Fuel Gas Dist	Discuss at Meeting		3) Content/ Meaning	Timing
1.3.1.12	13	Replace specified timing with "X" (Tied to comment #1).	National Fuel Gas Dist (May)	Discuss at Meeting		3) Content/ Meaning	Timing
1.3.1.12	38	Change 30 days to 5 business days.	Reliant (May)	Discuss at Meeting	<i>Change Red-lined in Working Draft</i>	3) Content/ Meaning	Timing
1.3.1.13	14	Replace specified timing with "X" (Tied to comment #1).	National Fuel Gas Dist (May)	Discuss at Meeting		3) Content/ Meaning	Timing
1.4.1.1	15	Replace specified timing with "X" (Tied to comment #1).	National Fuel Gas Dist (May)	Discuss at Meeting		3) Content/ Meaning	Timing
1.4.1.2	6	Add ARA timeframe phrase to first sentence: "The Creditor should respond to a timely Challenge within five (5) business days of receipt <u>or within the timeframe specified by the Applicable Regulatory Authority</u> by providing the rationale for its determinations and any calculations supporting the resulting credit limit."	Cinergy	Discuss at Meeting		3) Content/ Meaning	Timing
1.4.1.2	7	Add ARA timeframe phrase to last sentence, so it reads: "If there were material errors or omissions, the Creditor should re-evaluate the Applicant's creditworthiness within ten (10) business days of receipt of corrected information <u>or within the timeframe specified by the Applicable Regulatory Authority.</u> "	Cinergy	Discuss at Meeting		3) Content/ Meaning	Timing
1.4.1.4	16	Replace specified timing with "X" (Tied to comment #1).	National Fuel Gas Dist (May)	Discuss at Meeting		3) Content/ Meaning	Timing
1.4.1.6	12	Replace specified timing with "X" (Tied to comment #1).	National Fuel Gas Dist (May)	Discuss at Meeting		3) Content/ Meaning	Timing
1.7.1.4	18	Replace specified timing with "X" (Tied to comment #1).	National Fuel Gas Dist (May)	Discuss at Meeting		3) Content/ Meaning	Timing

Note: Section #'s below 1.1.0.0 are for sorting the Overview material only--they are not numbered Sections
7/10/03 (Bill Newbold, Detroit Edison) **NAESB, REQ/RGQ, SUI**

**Comments on Creditworthiness Draft #8 for Discussion at July 15-16, 2003 Meeting
Sorted by Type of Comment**

Section	Cmnt #	Comment	Commenter	Recommendation	Working Draft Status for 7/15/03	Type	Issue
1.0.5.5	2	Change definition of Material Change to read: "Any change in the Applicant's (or Guarantor's) financial or other condition that might reasonably affect the amount of <u>secured and unsecured credit</u> extended to that Applicant or may impact the Applicant's ability to perform on its obligations"	National Fuel Gas Dist	Resolved by Glossary Subcommittee 6/20/03		3) Content/ Meaning	Unsecured
1.3.0.0	1	Change heading to: "Determination of Initial Credit Limit" or "Initial Credit Limit Determination" (Eliminate reference to unsecured)	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	Unsecured
1.3.1.1	2	Change wording as follows: "The initial credit determination, including credit limits, Unsecured credit limits should be determined using the same criteria and methodology for all Applicants presenting a given risk, such as the risk associated with Consolidated Billing or the Distribution Company providing replacement energy when a Supplier defaults."	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	Unsecured
1.4.0.0	3	Change heading to: "Reconsideration of Initial Determination of Credit Limit"	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	Unsecured
1.4.1.1	4	Delete "unsecured" so the sentence reads: "An Applicant should be granted an opportunity to challenge an initial unsecured credit limit determination. The Challenge should be submitted within thirty (30) days of receiving the written notification of the initial unsecured credit limit determination."	Maine Public Advocate	Discuss at Meeting		3) Content/ Meaning	Unsecured
1.0.6.1	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 (May)	Discuss at Meeting	<i>Moved to Introductory Section based on 6/19/03 Conference Call</i>	4) Process Diagrams	
1.0.6.1	19	Comment on process flow diagrams: <i>All references to time should be eliminated until consensus is reached on timeframes.</i>	Southern Co	Discuss at Meeting		4) Process Diagrams	
1.0.6.2	20	Comment on process flow diagrams: <i>Add specific MBP section references (eg. 1.3.1.4 in first blue block) to all blocks</i>	Southern Co	Discuss at Meeting		4) Process Diagrams	
1.0.6.3	21	Comment on process flow diagrams: <i>Place each chart adjacent to its respective Section. (related comment on 1.1.3--Are these the flow charts?)</i>	Southern Co	Discuss at Meeting		4) Process Diagrams	

NAESB REQ/RGQ SUIIS SubCommittees - July 15-16, 2003 Workpapers

Comment Summary for July 15-16, 2003 Meeting

Count of New sort		
Type	Issue	Total
0) Definition	(blank)	11
0) Definition Total		11
1) Grammer/ Punctuation	(blank)	15
1) Grammer/ Punctuation Total		15
2) Wording	(blank)	17
2) Wording Total		17
3) Content/ Meaning	General	43
	Keeping Application Non-Public	1
	Timing	14
	Unsecured	5
3) Content/ Meaning Total		63
4) Process Diagrams	(blank)	4
4) Process Diagrams Total		4
Grand Total		110