

Nisource Distribution Companies
NAESB Retail Gas Quadrant
SUIS Creditworthiness
Workpaper 7/22/03

- 1) The Glossary Committee should change the definition of Material Change as follows:

Material Change : Any change in the Applicant's(or Guarantor's) **or Creditor's** financial or other condition that might reasonably affect the amount of unsecured credit extended to that Applicant or may impact the Applicant's ability to perform on its obligations.

- 2) Assuming that change is made, provision 1.4.1.5 Of the Creditworthiness Business Practices should be modified as follows:

A Creditor may re- evaluate the creditworthiness **and/or the unsecured credit limit** of an Applicant whenever it becomes aware of an adverse Material Change in the Applicant's **or the Creditor's** financial condition.

The purpose of the recommended changes above are to recognize that a Creditor's tolerance for unsecured credit limits may change if the financial condition of the Creditor changes.