

26.32 Investment Grade Customers

26.32.1 Senior Long-Term Unsecured Debt Rating

A Customer shall be deemed an Investment Grade Customer if its senior long-term unsecured debt rating is BBB- or higher by Standard & Poor's or Fitch, or Baa3 or higher by Moody's. If a Customer has been rated by two of these agencies, the ISO shall use the lower of the two ratings. If a Customer is rated by all three of these rating agencies, and one rating agency differs in its rating of a Customer from the other two, the ISO shall use the matching ratings. If a Customer is rated differently by all three of these rating agencies, the ISO shall use the middle rating. A Customer that has not been rated by any of the three above-named rating agencies may use a rating from Dominion. Notwithstanding the above, a Customer with a senior long-term unsecured debt rating from any of the approved rating agencies below BBB- (or Baa3) shall be deemed to be a Non-Investment Grade Customer.

26.32.2 Issuer Rating

If a Customer does not have a senior long-term unsecured debt rating from Standard & Poor's, Fitch, Moody's or Dominion, the Customer shall nevertheless be deemed an Investment Grade Customer if it has an issuer rating of BBB or higher from Standard & Poor's, Fitch, or Dominion, or Baa2 or higher from Moody's.

A Customer that has a senior long-term unsecured debt rating from Standard & Poor's, Fitch, Moody's or Dominion shall not be permitted to substitute an issuer rating. The rules established in Section 26.32.1 of this Attachment K regarding conflicting ratings and the use of a Dominion rating shall apply to issuer ratings. Notwithstanding the above, a Customer with an issuer rating from any of the approved rating agencies below BBB (or Baa2) shall be deemed to be a Non-Investment Grade Customer.

26.32.3 Equivalency Rating

A Customer that has not received a senior long-term unsecured debt rating or an issuer rating from Standard & Poor's, Moody's, Fitch, or Dominion may request that the ISO assign it an Equivalency Rating. The ISO shall determine an Equivalency Rating using Moody's KMV RiskCalc™. A Customer with an Equivalency Rating of BBB or higher shall be deemed to be an Investment Grade Customer. The ISO shall review a Customer's Equivalency Rating at least once each quarter. A Customer may not use an Equivalency Rating in the event that it is rated by an ISO-approved rating agency.

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