

## **26.2 Reporting Requirements**

### **26.2.1 ~~All Customers.~~ All Customers shall be required to comply with the reporting requirements in this Section 26.2.1**

#### **26.2.1.1 References**

The ISO may require a Customer to provide references from one (1) bank and up to three (3) utilities. A Customer that does not have utility references, may substitute trade payable vendor references.

#### **26.2.1.2 Prior Bankruptcy or Default**

A Customer shall inform the ISO of any prior bankruptcy declarations or material defaults by the Customer or its predecessors, subsidiaries, or Affiliates occurring within the previous five (5) years.

#### **26.2.1.3 Investigations**

A Customer shall inform the ISO of the existence of any ongoing investigations of which the Customer is aware by the Securities and Exchange Commission, the Department of Justice, the Federal Energy Regulatory Commission, or the New York Public Service Commission which could have a material impact on the Customer's financial condition.

#### **26.2.1.4 Material Change in Financial Status**

A Customer shall inform the ISO of any material change in its financial status within five (5) business days, including but not limited to: (a) a downgrade of a long- or short-term debt rating by any ISO-approved rating agency; (b) placement on a negative credit watch by any ISO-approved rating agency; (c) a bankruptcy filing, insolvency, or a default under any financing agreement; (d) resignation or termination of a key officer; (e) initiation of a lawsuit that could

materially and adversely impact current or future financial performance; or (f) restatement of prior financial statements.

#### **26.2.1.5 Change in Peak Load**

A Load Serving Entity shall inform the ISO as soon as practicable if it expects its peak Load to increase by fifteen percent (15%) or more above its peak Load during the Prior Equivalent Capability Period.

#### **26.2.1.6 Financial Statements**

Customer shall keep on file with the ISO its most recent annual financial statements (including, but not limited to, balance sheet and income statement), which shall be submitted to the ISO annually within ten (10) days of such statements becoming available and within ninety (90) days of the end of the fiscal year of such Customer. If such financial statements are not audited, Customer shall submit with the financial statements a certification from an officer of the Customer, in a form acceptable to the ISO, certifying the accuracy of the financial statements.

If a Customer does not routinely prepare financial statements, Customer shall submit equivalent financial information annually, as required in the paragraph above, with a certification from an officer of the Customer certifying the accuracy of the financial information submitted, in forms acceptable to the ISO.

The ISO may grant an extension for the provision of the required financial information under this Section 26.2.1.6 upon a showing of good cause.

#### **26.2.2 Customers Requesting Unsecured Credit**

In addition to the reporting requirements in Section 26.2.1., above, a Customer requesting Unsecured Credit, including a request for an Equivalency Rating, shall be required to comply

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with the reporting requirements of this Section 26.2.2.

#### **26.2.2.1 Financial Statements**

A Customer requesting Unsecured Credit shall provide to the ISO audited annual financial statements from the most recent three (3) years and its recent quarterly financial statement. Thereafter, the Customer shall provide audited annual financial statements to the ISO within ten (10) days of such statements becoming available and within ninety (90) days of the end of each fiscal year and shall provide quarterly financial statements to the ISO within sixty (60) days of the end of each quarter. The ISO may grant an extension for the provision of quarterly and annual financial statements upon a showing of good cause.

#### **26.2.2.2 Publicly-Traded Customer**

A publicly-traded Customer shall provide financial statements on Form 10-K and 10-Q, respectively. A publicly-traded Customer shall also provide Form 8-K reports within five (5) business days of their issuance. Information available on EDGAR shall be deemed provided by a Customer that directs the ISO to obtain it there.

#### **26.2.2.3 Privately-Held Customer**

A Customer that is not publicly-traded shall provide financial statements that include a balance sheet including a statement of stockholders' equity, an income statement, a statement of cash flow, notes to the financial statement, and an unqualified auditor's opinion.

#### **26.2.2.4 Government Entities**

Notwithstanding Section 26.2.2.1 of this Attachment K, government entities that do not normally prepare quarterly financial statements shall not be required to provide them to qualify for Unsecured Credit.