## 26.10 Material Adverse Change

The amount of Unsecured Credit granted to a Customer, if any, and the amount of the Customer’s Operating Requirement shall be subject to change, at the discretion of the ISO, in the event that there is a material adverse change affecting the risk of nonpayment by the Customer.

**Table K-1 Tangible Net Worth Credit Matrix**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Customer**  **Rating** | | | | **Starting Point for Determining**  **Unsecured Credit** |
| Senior Long-term Unsecured Debt Rating | | Issuer Rating or  Equivalency Rating | | (% of Tangible Net Worth) |
| S&P, Fitch, and Dominion | Moody’s | S&P, Fitch, Dominion, and NYISO | Moody’s |
| A+  or higher | A1  or higher | AA-  or higher | Aa3  or higher | 7.5% |
| A | A2 | A+ | A1 | 6.5% |
| A- | A3 | A | A2 | 5.0% |
| BBB+ | Baa1 | A- | A3 | 4.0% |
| BBB | Baa2 | BBB+ | Baa1 | 2.5% |
| BBB- | Baa3 | BBB | Baa2 | 1.5% |
| BB+  or lower | Ba1  or lower | BBB-  or lower | Baa3  or lower | 0% |