

ATTACHMENT L
GEORGIA TRANSMISSION CORPORATION
CREDITWORTHINESS PROCEDURES – TRANSMISSION SERVICE

Creditworthiness Procedures

GTC shall apply, on a not unduly discriminatory basis, these creditworthiness procedures to determine the acceptability of Customer's overall financial condition for obtaining Point-To-Point Transmission Service under the GTC Transmission Service Tariff ("Tariff").

- (1) Determination.
 - (A) Each Customer must submit the following information as part of the initial application process, as well as to support any ongoing creditworthiness review:
 - (i) Audited Financial Statements. Each Customer shall submit audited or otherwise acceptable financial statements for at least the immediately preceding two (2) fiscal years, or the period of Customer's existence, if shorter;
 - (ii) Annual report;
 - (iii) List of affiliates, parent companies, and subsidiaries;
 - (iv) Publicly available information from credit reports by credit and bond rating agencies;
 - (v) Statement of Customer's legal composition;
 - (vi) Most recent filed statements with the U.S. Securities and Exchange Commission (or equivalent authority) or such other publicly available information. Such financial information generally must include, but not be limited to, the following: (if publicly traded) annual and quarterly reports on SEC Forms 10-K and 10-Q, respectively, and Form 8-K reports, if any; (if privately held) management's discussion and analysis, report of independent accountants, financial statements including balance sheet, income statement, statement of cash flows, statement of stockholders' equity, and notes to financial statements. If the above information is available on the public internet, Customer instead may provide instructions regarding where such statements may be located by GTC;

- (vii) For public entities, the most recent publicly available interim financial statements, with an attestation by its chief financial officer that such statements constitute a true, correct, and fair representation of financial condition prepared in accordance with GAAP or equivalent;
- (vii) For non-public entities, including those that are State-regulated utilities:
 - (a) the most recent available interim financial statements, with an attestation by its chief financial officer that such statements constitute a true, correct, and fair representation of financial condition prepared in accordance with GAAP or equivalent; or
 - (b) an existing sworn filing, including the most recent available interim financial statements and annual financial reports filed with the respective regulatory authority, showing Customer's current financial condition;
- (viii) Such other information as may be mutually agreed to by the parties.

GTC will maintain any non-public data included in such information on a confidential basis.

- (B) In order to be found creditworthy, the Customer must meet the following criteria:
 - (i) The Customer is not in default of its payment obligations under Section 7.3 of this Tariff; and
 - (ii) The Customer meets one of the following criteria:
 - (a) The Customer has been in business at least one year and has a credit rating of at least "Baa3" (Moody's) or "BBB minus" (Standard & Poors or Fitch's) (If Customer is rated by multiple agencies the lowest rating applies);
 - (b) The Customer has been in business at least one year, and provides its most recent financial statement to GTC which demonstrates that the Customer meets standards that are at least equivalent to the standards underlying credit ratings of "Baa3" (Moody's) or "BBB minus" (Standard and Poors or Fitch's), provided that if the Customer is found to be not creditworthy pursuant to this paragraph b, GTC will inform the Customer of the reasons for that determination;
 - (c) The Customer is a borrower from the Rural Utilities Service ("RUS") and has a Times Interest Earned Ratio of 1.05 or better and a Debt Service Coverage Ratio of 1.00 or better in the most

recent calendar year, or is maintaining the Times Interest Earned Ratio and Debt Service Coverage Ratio as established in the Customer's RUS Mortgage; or

- (d) The Customer's parent company meets the criteria set out in (i) and (ii) (a), (b), or (c) above, and the parent company provides a written guarantee that the parent company will be unconditionally responsible for all financial obligations associated with the Customer's receipt of transmission service.
 - (iii) The Customer has not been late with a payment to GTC for transmission service two or more times in any twelve month period over the last three years.
 - (C) If GTC determines that Customer is non-creditworthy, GTC will provide, within twenty (20) Business Days of Customer's request, notification by e-mail, of the basis for GTC's determination and of GTC's collateral requirements specified in Section 3.
- (2) Establishing Credit Limits.
- Notwithstanding any other provisions outlined in the Tariff, if the Customer meets the criteria established under Section 1(B)(ii), GTC may establish a credit limit for such Customer.
- (3) Collateral.
- (A) Need For Collateral.
 - (i) A Customer that does not satisfy the creditworthiness requirements based on GTC's creditworthiness procedures, or whose obligations are greater than Customer's established credit limit, may be required to provide collateral to GTC. Such collateral may be in addition to any deposit requirements as specified in Section 17.3 of the Tariff. If collateral is required, and transmission service has not commenced, Customer shall provide an appropriate form of collateral within 30 days of notification from GTC. No transmission service to Customer shall commence until any such collateral requirement is satisfied. If transmission service to Customer already has commenced, Customer shall provide an appropriate form of collateral as required by GTC within five (5) Business Days of notification as detailed in Section 4(B), below. The amount of credit support required will depend on Customer's transmission activity and the resulting credit exposures.

- (ii) If at any time GTC determines according to these creditworthiness criteria that Customer is not able fully to support its credit exposures based solely on its financial viability, GTC may require that collateral be provided. Such collateral may be in addition to any deposit requirements as specified in Section 17.3 of the Tariff. If required by GTC, Customer will be asked to provide an acceptable form of collateral within 30 days of GTC's request. No transmission service to Customer shall commence until this requirement is satisfied. If transmission service to Customer already has commenced and Customer fails to provide the collateral as required by GTC within five (5) Business Days of notification deadline as detailed in Section 4(B), below, Customer will be deemed in default of its Service Agreement.

(B) Amount of Collateral.

- (i) For transmission service, such collateral may not exceed three (3) month's worth of estimated total charges for the transmission service. Monthly charges may include (a) the three (3) highest months of historical Transmission Service usage for the most recent 24-month period, or (b) three (3) months of estimated charges as determined by GTC.
- (ii) Customer may make reasonable requests for GTC to re-evaluate Customer's collateral requirement pursuant to this Section.

(C) Forms of Collateral.

- (i) The following are acceptable forms of collateral:
 - (a) Cash Deposit. A cash deposit from the Customer in an amount required by GTC will be deemed as acceptable collateral.
 - (1) GTC will maintain the cash deposit received pursuant to Section 17.3 of the Tariff until GTC completes a creditworthiness review of the Customer in accordance with these creditworthiness procedures. If, after such review and after the Customer confirms Transmission Service, the Customer has been determined to be creditworthy, GTC reserves the right to refund the cash deposit, including any accrued interest calculated pursuant to Section 17.3 of the Tariff.
 - (2) If it is necessary to use all or a portion of the cash deposit to pay Customer's obligation, the original cash deposit must be replenished to the required level within ten (10) Business

Days of notification. If such cash deposit has not been received, GTC may declare Customer to be in default under the related Service Agreements. In the event actual Customer obligations exceed the collateral requirement, the Customer must increase its cash deposit to the required level within ten (10) Business Days of notification. GTC shall pay whatever interest it earns, to the extent it earns any such interest, on the deposit amount.

- (b) Letter of Credit. An unconditional irrevocable standby letter of credit for the full value of the collateral requirement is generally acceptable subject to the following criteria.
 - (1) The letter of credit must provide that it will renew automatically except on at least 30 days prior notice from the issuing bank, or such other terms to which GTC reasonably may agree. If the letter of credit amount falls below the collateral amount required because of a claim for payment, such letter of credit amount must be replenished to the required level within ten (10) Business Days of notification; otherwise, GTC will declare Customer to be in default under its related Service Agreements. If actual obligations exceed those anticipated, Customer must obtain a substitute letter of credit that equals the actual GTC obligations. The form, substance, and provider of the letter of credit shall be acceptable to GTC.
 - (2) The letter of credit must state the full names of the "Issuer", "Account Party", and "Beneficiary" (GTC), and the dollar amount available for drawings, and shall specify that funds must be disbursed on presentation of the drawing certificate. The bank issuing the letter of credit must have a minimum Senior Unsecured Debt rating of an "A minus" by Standard & Poor's or Fitch's, or "A3" by Moody's. All costs associated with obtaining a letter of credit are Customer's responsibility.
- (c) Corporate or Other Acceptable Guaranty. An irrevocable and unconditional guaranty obtained from a Guarantor guaranteeing: (i) full and prompt payment of all amounts payable by Customer, and (ii) performance by Customer under related Service Agreements, may provide an acceptable form of collateral to GTC. Guarantor must have, at a minimum, an investment grade debt rating of "BBB minus" by Standard & Poor's or Fitch's, or "Baa3" by Moody's. The guaranty must state the identities of the "Guarantor," "Beneficiary"

(GTC), and "Obligor," and the relationship between Guarantor and Customer. The guaranty must be duly authorized by Guarantor, must be signed by an officer or otherwise approved signer of Guarantor, and must be accompanied by satisfactory documentation that the person signing the guaranty is duly authorized. A Customer supplying a guaranty must ensure that Guarantor: (i) submits to GTC at least annually a current rating agency report promptly on its issuance, SEC Form 8-Ks promptly on their issuance, and financial reports if and as requested by GTC within ten (10) days of such request, and (ii) informs GTC in writing within ten (10) Business Days of any material change in its financial status. Guarantor's failure to provide this information may result in a determination by GTC that Customer is in default under one (1) or more of the related Service Agreements. If there is a material adverse change in the financial condition of Guarantor, GTC may require Customer to provide another form of acceptable collateral.

- (d) Surety Bond. A surety bond provides an acceptable form of collateral to GTC for the full value of the collateral requirement when issued by a surety company that holds certificates of authority as acceptable surety, has an A.M. Best credit rating of "A" or better, or is otherwise acceptable to GTC. The surety bond must renew automatically unless the issuing surety provides notice to GTC at least 30 days prior to the surety bond's expiration of the surety's decision not to renew the surety bond, or such other term to which GTC reasonably may agree. If the bond amount falls below the collateral requirement because of a claim for payment, such surety bond must be replenished within ten (10) Business Days; otherwise, GTC may declare Customer to be in default under one (1) or more of the related Service Agreements. If actual obligations to GTC exceed those anticipated, Customer must obtain a revised surety bond that equals the actual GTC obligations. The form, substance, and provider of the surety bond must be acceptable to GTC. The bond shall specify that funds will be disbursed, in accordance with the bond provision, within ten (10) Business Days after notice is given to the surety by GTC. All costs associated with obtaining a surety bond and meeting the guideline provisions are Customer's responsibility.

- (D) GTC has the right to liquidate, or draw upon, all or a portion of Customer's form of collateral in order to satisfy Customer's total net obligations to GTC upon a Default pursuant to Section 7.3 of the Tariff. Customer shall replace any liquidated, or drawn-upon, collateral within five (5) Business Days of notification of

liquidation/draw-down.

- (4) Suspension of Transmission Service.
- (A) Notwithstanding any other provision of the Tariff, if Customer fails to provide the entirety of required financial assurances when due under this Creditworthiness Procedure, GTC may suspend transmission service to such Transmission Customer ten (10) Business Days after GTC's notification to Customer as provided in (4)(B) below.
 - (B) GTC will provide notice to Customer that it must provide any required financial assurances by the deadline specified in the notice, and that GTC may take corrective actions, including suspension of transmission service pursuant to this Section 4 if Customer fails to provide the required collateral by the specified deadline(s).
 - (C) The suspension of transmission service under (4)(A), above, shall continue only for as long as the circumstances that entitle GTC to suspend transmission service continue.