

SECTION 5: CREDIT APPLICATION

ATTACHMENT 5.1: SERVICE WORKSHEET

Please provide the most accurate data available. Please use additional sheets for additional service information.

1. Point of Delivery (POD): Estimated Peak
Load Served:

% of load served by Network Service:

% of transactions for which losses will be self-supplied:

% of transactions for which ancillary services will be self-supplied:

% of load served by grandfathered transmission contracts:

% of load comprised or retail customers taking transmission service from the incumbent load service entity: _____

2. POD: Estimated Peak Load Served: _ % of load served by Network
Service:

% of transactions for which losses will be self-supplied:

% of transactions for which ancillary services will be self-supplied:

% of load served by grandfathered transmission contracts:

% of load comprised or retail customers taking transmission service from the incumbent load service entity: _____

3. POD: Estimated Peak Load Served:

% of load served by Network Service:

% of transactions for which losses will be self-supplied:

% of transactions for which ancillary services will be self-supplied:

% of load served by grandfathered transmission contracts:

% of load comprised or retail customers taking transmission service from the incumbent load service entity: _____

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ATTACHMENT 5.2: OVEC CREDIT AGREEMENT (pg. 1 of 2)

This Credit Agreement is effective as of the day of ___-

, 20___, by and by between (“Customer”) and Ohio Valley Electric Corporation (“OVEC”).

Recitals

WHEREAS, OVEC provides certain transmission services to customers, and said customers agree to pay OVEC for such services

WHEREAS, OVEC maintains a Credit Policy (which is contained in Attachment L to its Open Access Transmission Tariff, along with credit scoring models and other information posted on OVEC’s website, as the same may be amended from time to time, and which Credit Policy is incorporated herein by reference) in order to determine, on a case by case basis, the form of financial assurance to be required by each customer (i.e. Corporate Guaranty, Irrevocable Letter of Credit, or cash deposit);

WHEREAS, as of the date hereof, OVEC has made a determination as to the terms upon which OVEC will provide services to Customer and the financial accommodations required of Customer to assure prompt payment of all amounts due OVEC under their Service Agreement with Customer; and

WHEREAS, OVEC and Customer acknowledge that the Customer’s credit standing may change throughout the term of their business relationship, and it may become necessary in accordance with OVEC’s Credit Policy for OVEC and OVEC shall have the right, to reevaluate the credit standing of Customer at any time in order to assure OVEC will be paid by Customer for services provided, or to be provided, to Customer.

NOW, THEREFORE, for One Dollar (\$1.00) and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties hereto, Customer hereby agrees to, and accepts, all of the following:

- (1) All Recitals set forth above shall be incorporated herein as if set forth herein in full, and Customer agrees to and accepts the terms thereof.
- (2) Your credit status is conditional upon your strict compliance with the terms of the OVEC Credit Policy and this Credit Agreement.
- (3) In accordance with OVEC’s Credit Policy, OVEC shall have the right to additional financial information from Customer from time to time in order to determine the Customer’s credit standing at such time. Customer shall deliver the requested information within five (5) days of request. In accordance with OVEC’s Credit Policy, OVEC shall have the right to (i) revoke all extensions of credit to Customer, (ii) modify customer credit standing based on

changes in the financial condition of Customer, or (iii) demand additional financial accommodations, such as, without limitation, a corporate guaranty from the Customer's parent company, an irrevocable letter of credit, and/or a cash deposit, and OVEC may condition the provision of services by OVEC to Customer upon receipt of the requested accommodation.

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ATTACHMENT 5.2: OVEC CREDIT AGREEMENT (pg. 2 of 2)

(4) Customer will promptly disclose to OVEC any material changes in their financial condition. These changes include, but are not limited to:

a) downgrades to a below investment grade rating of senior long term debt by major rating agencies;

b) bankruptcy filings;

c) pending lawsuits; or

d) any change in the financial condition of Customer which exceeds the lesser of (i) the materiality standard (whereby customer is to notify OVEC of the standard for materiality) established by the accounting firm performing Customer's annual audit (which materiality standard Customer shall disclose to OVEC), or (ii) a five percent (5%) reduction in Customer's tangible net worth from the tangible net worth for the preceding fiscal year of Customer, calculated in accordance with generally accepted accounting principles.

For purposes of this Paragraph 4, "materiality" shall mean any adverse change in the financial condition of Customer which could affect the ability of Customer to pay its debts as they become due including, without limitation, those items specifically listed in Paragraphs 4(a) through (d) above. Customer shall be required, no later than ninety (90) days after the end of each fiscal year, to deliver to OVEC its current, audited financial statements prepared in accordance with generally accepted accounting principles, and (ii) no later than forty-five (45) days after the end of each fiscal quarter, to deliver to OVEC its current, unaudited quarterly financial statements prepared in accordance with generally accepted account principles.

Additionally, upon written request by OVEC Customer shall, within fifteen (15) days of such request, provide OVEC with year-to-date financial statements.

Company Name
Authorized Signature
Print Name
Title: