

**2.2.3.2** Each Scheduling Coordinator, UDC or MSS shall either maintain an Approved Credit Rating (which may differ for different types of transactions with the ISO) or provide in favor of the ISO one of the following forms of security for an amount to be determined by the Scheduling Coordinator, UDC or MSS and notified to the ISO under Section 2.2.7.3:

- (a) an irrevocable and unconditional letter of credit confirmed by a bank or financial institution reasonably acceptable to the ISO;
- (b) an irrevocable and unconditional surety bond posted by an insurance company reasonably acceptable to the ISO;
- (c) an unconditional and irrevocable guarantee by a company which has and maintains an Approved Credit Rating;
- (d) a cash deposit standing to the credit of an interest bearing escrow account maintained at a bank or financial institution designated by the ISO;
- (e) a certificate of deposit in the name of the ISO from a financial institution designated by the ISO; or
- (f) a payment bond certificate in the name of the ISO from a financial institution designated by the ISO.

Letters of credit, guarantees, surety bonds, payment bond certificates, escrow agreements and certificates of deposit shall be in such form as the ISO may reasonably require from time to time by notice to Scheduling Coordinators, UDCs or MSSs. A Scheduling Coordinator, UDC or MSS which does not maintain an Approved Credit Rating shall be subject to the limitations on trading set out in Section 2.2.7.3. [Until March 3, 2001, and notwithstanding anything to the contrary in the ISO Tariff, a Scheduling Coordinator or UDC that –](#)

[\(1\) has an Approved Credit Rating on January 3, 2001; and](#)

[\(2\) is an Original Participating Transmission Owner or is a Scheduling Coordinator for an Original Participating Transmission Owner;](#)

shall not be subject to the limitations on trading set forth in Section 2.2.7.3 for the Trading Day if, by 8:30 a.m. on the day prior to the Trading Day, the ISO posts notice on the ISO Home Page that such trading limitations will not apply.