Alternative Modification P152

LEGAL TEXT

SECTION M *(version 10 including all Approved Modifications awaiting implementation)*

Amend paragraph 2.3.1 as follows:

2.3.1   If a Trading Party wishes at any time to reduce the amount of its Credit Cover:

    (a)   the Trading Party shall give notice to that effect to the ECVAA;

    (b)   the ECVAA shall determine and notify to the FAA and the Trading Party, on the first Business Day after the expiry of the waiting period, the minimum eligible amount;

    (c)   the Trading Party may, not later than the second Business Day following the ECVAA's notification under paragraph (b), by notice to the FAA request, and the FAA on behalf of the BSC Clearer shall consent to:

        (i)   a reduction in the amount of a Letter of Credit provided by the Trading Party, and/or

        (ii)   a withdrawal of cash deposited by the Trading Party

    provided that the amount of the Trading Party's Credit Cover following such reduction and/or withdrawal is not less than the minimum eligible amount and that that Trading Party is not in default of any obligation to make a payment to the BSC Clearer and (subject to paragraph 2.3.1(A) and 2.3A below) is not a Defaulting Party (as defined in Section H3).

Add new paragraph 2.3A as follows:

2.3A   Reduction of Credit Cover for Non-Supplier Trading Party

2.3A.1   Where a Non-Supplier Trading Party which is in Default solely by virtue of Section H 3.1.1 (g) wishes to reduce the amount of its Credit Cover it shall make a submission in writing.

2.3A.2   Following a request submitted in accordance with paragraph 2.3A.1, at the next Panel meeting following confirmation by BSCCo that the Non-Supplier Trading Party meets the conditions set out in paragraph 2.3A.5 the Panel shall consider and take a decision as to whether there is any reason why the Non-Supplier Trading Party should not be entitled to:

    (a)   a reduction in the amount of a Letter of Credit provided by the Non-Supplier Trading Party; and/or

    (b)   a withdrawal of cash deposited by the Non-Supplier Trading Party

2.3A.3   At the time the Panel makes its decision:

(a)   the amount of the Non-Supplier Trading Party's Credit Cover following such reduction and/or withdrawal shall be the amount calculated in accordance with paragraph 2.3.A.6 and

(b)   the Non-Supplier Trading Party is a Trading Party which is in Default solely by virtue of Section H.3.1.1.(g); and

(c)   the Non-Supplier Trading Party meets the conditions set out in 2.3A.5.

2.3A.4   If the Panel considers that there is insufficient information available to it to enable it to take the decision referred to in paragraph 2.3A.2 in respect of a request by the Non-Supplier Trading Party for a reduction in Credit Cover then the Panel may defer consideration of the request until the next succeeding Panel meeting provided that, in so doing, the Panel shall prescribe the steps which need to be taken (by BSCCo, the Non Supplier Trading Party or otherwise) to enable the Panel to decide the matter at such subsequent meeting.

2.3A.5   In accordance with paragraph 2.3.A.2 the Non-Supplier Trading Party must meet each of the following conditions:

(a)   At the date it gives notice pursuant to paragraph 2.3A.1:

(i)   there are no Energy Contract Volume Notifications or Metered Volume Reallocation Notifications in force, in respect of which the Trading Party is a Contract Trading Party, relating to Settlement Periods after that date and containing Energy Contract Volume Data or Metered Volume Reallocation Data with non-zero values; and

(ii)   the Non-Supplier Trading Party has terminated all ECVNA Authorisations and MVRNA Authorisations made under its authority;

and

(b)   the Non-Supplier Trading Party shall have paid any and all Trading Charges payable up to or on the Payment Date; and

(c)   the Non-Supplier Trading Party shall have paid any and all BSC Charges payable up to the date that it gives notice pursuant to paragraph 2.3A.1 in accordance with Section D Annex D4 and D5; and

(d)   the Non-Supplier Trading Party shall have completed de-registration (in accordance with Section K and BSCP 15) from ownership of any BM Units for which it was registered by the date it gives notice pursuant to paragraph 2.3A.1; and

(e)   the Non-Supplier Trading Party shall have an Energy Indebtedness of zero or less than zero continuously over the period of 30 days immediately preceding to the giving of notice pursuant to 2.3A.1.

2.3A.6   Any reduction in or withdrawal of Credit Cover in relation to 2.3A shall be made in accordance with the following sum:

The amount of Credit Required (CR, in £) required by a Non-Supplier Trading Party shall be calculated as follows:

$$\sum_{x \in (1,2,3,F)} NRxSP * \frac{\sum_{Rx(j)} \max(RxC_j, 0)}{RxSP}$$

where:

RxSP   is the count of all Settlement Periods falling any time up to a year before the date on which the Non-Supplier Trading Party in question ceased trading for which the Rx Reconciliation Run has been performed or if this number is less than 1440 (30 days) then 1440.

SRx(j)   represents summation over all Settlement Periods falling within a year before the date on which the Non-Supplier Trading Party in question ceased trading for which the Rx Reconciliation Run has been performed or if the number of Settlement Periods in this sum is less than 1440, then the summation over the last 1440 Settlement Periods for which a which a the Rx Reconciliation Run has been performed.

RxCj   represents the Reconciliation Charges (as defined in N 6.4.3) payable by the Non-Supplier Trading Party (summed across its accounts) due to the Rx Reconciliation Run in the relevant Settlement Period.

NRxSP   represents the count of all Settlement Periods up to and including the date on which the Non-Supplier Trading Party ceased trading for which the Rx Reconciliation Run has not been performed.

For the purposes of Section 2.3A the date that the Non-Supplier Trading Party ceased trading shall be the earliest date on which there are no Energy Contract Volume Notifications or Metered Volume Reallocation Notifications in force in respect of which the Non-Supplier Trading Party is a Contract Trading Party and there is no credited Energy in either the Production or Consumption Account of such Non-Supplier Trading Party.

2.3A.7   For the purposes of paragraph 23A a Non-Supplier Trading Party shall be a Trading Party which is not:

   (a)   a Supplier; or

   (b)   a Subsidiary Party in a Metered Volume Reallocation Notification where the Lead Party in the Metered Volume Reallocation Notification was a Supplier where the percentage value is greater than zero;

and in all cases this shall have been the case for any Settlement Day for which a Final Reconciliation Settlement Run has not been performed.

2.3A.8   For the avoidance of doubt, paragraph 2.3.3 applies in connection with this paragraph 2.3A.

SECTION N *(version 5 including all Approved Modifications awaiting implementation)*

Amend paragraph 2.5.2 as follows:

2.5.2   Subject to paragraph 2.5.4 and paragraph 2.5.5 as the case may be, a Defaulting Party shall be entitled to payment from the BSC Clearer if, and only if, all amounts, liabilities and other obligations due, owing, incurred or payable by that Defaulting Party to the BSC Clearer, whether those liabilities or obligations are actual or contingent, present or future, joint or several (including, without limitation, all interest (after as well as before judgment) and expenses) have been paid or recovered and until that time the Defaulting Party will not request, demand or claim to be entitled to payment by the BSC Clearer.

Add new paragraph 2.5.5:

2.5.5   Where at any time the Panel has determined in accordance with section M2.3A that a Trading Party is entitled to:

(a)   a reduction in the amount of a Letter of Credit provided by the Trading Party, and/or

(b)   a withdrawal of cash deposited by the Trading Party

then references to amounts, liabilities and other obligations of such Trading Party in paragraph 2.5.2 shall not include amounts, liabilities and obligations of a contingent nature.

SECTION X ANNEX X-1 *(version 20 including all Approved Modifications awaiting implementation)*

Amend Annex X-1 as follows:

"Non-Supplier Trading Party":   has the meaning given to that term in Section M2.3A;