

## P152 Proposed Modification

### 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 where Defaulting Party has not given Withdrawal Notice**

2.3A.1 Where a 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 such request 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 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 Trading Party should not be 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

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

- (a) the amount of the Trading Party's Credit Cover following such reduction and/or withdrawal shall be the amount of the reduction calculated in accordance with paragraph 2.3A.6; and
- (b) the Trading Party is a Trading Party which is in Default solely by virtue of Section H.3.1.1.(g); and
- (c) the Trading Party continues to meet 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 a 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 Trading Party or otherwise) to enable the Panel to decide the matter at such subsequent meeting.

2.3A.5 In accordance with paragraph 2.3A.2 the 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 Trading Party has terminated all ECVNA Authorisations and MVRNA Authorisations made under its authority;
- and
- (b) the Trading Party shall have paid any and all Trading Charges payable up to or on the Payment Date; and
  - (c) the 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
  - (d) the 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 this paragraph 2.3A shall be made in accordance with the following calculation:

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

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

where:

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

$\Sigma Rx(j)$  represents summation over all Settlement Periods falling within a year before the date on which the Trading Party 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 the Rx Reconciliation Run has been performed.

RxCj represents the Reconciliation Charges (as defined in N 6.4.3) payable by the 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 Trading Party ceased trading for which the Rx Reconciliation Run has not been performed.

For the purposes of this paragraph 2.3A.6 the date that the 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 Trading Party is a Contract Trading Party and there is no credited Energy in either the Production or Consumption Account of such Trading Party.

2.3A.7 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.