

PROPOSED LEGAL TEXT

M3.4.3 Where the ECVAA submits to BSCCo a copy of a level 1 default notice or level 2 default notice under paragraphs 3.2.1 or 3.31 respectively in relation to a Trading Party:

- a) BSCCo shall, promptly upon (but not earlier than) the expiry of the Query Period, give an authorisation notice to the ECVAA unless:
 - i) BSCCo has been notified by the ECVAA that in the ECVAA's opinion there is, or
 - ii) BSCCo otherwise has substantial evidence that, or other reasons to believe that, there is

a material doubt as to whether, at the time, the systems and processes used by the ECVAA are giving correct determinations of the values of Credit Cover Percentage for that Trading Party. Further, BSCCo shall consider any relevant available data submitted by the Trading Party which indicates the Credit Cover Percentage calculation does not accurately reflect a Trading Parties "Actual Energy Indebtedness", and shall on the basis of such data recalculate the Credit Cover Percentage on the basis of Actual Energy Indebtedness (as opposed to Energy Indebtedness). For the avoidance of doubt it shall be open to the Trading Party to submit such relevant available data prior to, or following the submission by the ECVAA to BSCCo of a level 1 or level 2 default notice.

"Actual Energy Indebtedness" means

- A. The algebraic sum of indebtedness for which Trading Party p for those Settlement Days within the relevant 29 day period for Interim Information Settlement Run data has been submitted by the Trading Party to BSCCo and the Trading Party has reasonably demonstrated the level of indebtedness calculated by the use of such data in substitution for CAQCE as set out in M1.2.2; and
- B. The algebraic sum of Credit Assessment Energy Indebtedness for Trading Party p in relation to that Settlement Period and all prior Settlement Periods in days falling within the 29 day period for which subparagraph (A) does not apply.