

Version 3.0 Section M: Credit Cover and Credit Default

Original Modification Proposal

Amend paragraph 3.1.1 to read:

3. CREDIT DEFAULT STATUS

3.1 General

3.1.1 In relation to any Settlement Period, a Trading Party's "Credit Cover Percentage" (CCP_{pj} , %) is:

(a) where ECC_p does not equal zero:

$$CCP_{pj} = \{1 - (ECC_p - EI_{pj}) / |ECC_p|\} * 100$$

(b) where ECC_p equals zero:

then,

if $EI_{pj} = 0$, then $CCP_{pj} = 0$

if $EI_{pj} > 0$, then $CCP_{pj} = + 1000$

if $EI_{pj} < 0$, then $CCP_{pj} = - 1000$

where

EI_{pj} is the Trading Party's Energy Indebtedness in relation to that Settlement Period;

ECC_p is the amount of the Trading Party's Energy Credit Cover most recently notified by the FAA under paragraph 2.4.2(c);

$|ECC_p|$ is the magnitude of ECC_p

Alternative Modification

Amend paragraph 2.1.3 to read:

2.1.3 The amount of a Trading Party's Credit Cover at any time shall be:

(a) the sum of:

- (i) the maximum undrawn amount for the time being of any Letter of Credit delivered by it, and
- (ii) the principal amount of any cash paid by it (for value not later than that time) and credited to the Reserve Account by the FAA on behalf of the BSC Clearer;

less

- (b) the sum of any amounts payable by the Trading Party in respect of Trading Charges which:
 - (i) have become due for payment and have not been paid by the Trading Party on the relevant Payment Date in accordance with Section N, and
 - (ii) remain unpaid at such time.

Provided that if the amount so determined is negative, the amount of the Credit Cover shall be zero.