

Draft Business Rules - Code Modification Proposal XXXX

‘Introduction of a Balancing Neutrality Charge for the recovery of costs associated to the provision of Rating Services’

TPD Section F

Amend paragraph 4.5.3(a) to read as follows:

“(a) the sum of the following amounts:

- (i)
- (ii)
- (iii)
- (iv)
- (v)
- (1)
- (2)
- (vi)
- (vii)..... and paid in month m; **and**

(viii) the amount of any costs, expenses or other amounts incurred by National Grid NTS for the procurement of Credit Rating Analytic Services from third parties. Such services will be procured following direction and approval by the EBCC under section X.2.2.6 (c) and the Energy Balancing Credit Rules.

Section X – Energy Balancing Credit Management

X2.2.6

- (a) A User's Secured Credit Limit may also be revised, in accordance with the Energy Balancing Credit Rules, save where either paragraph 2.2.6(b) or (c) applies, on notice of not less than 30 Days (or any lesser period agreed by the User) to the User:
 - (i) at intervals of approximately 12 months;
 - (ii) where any published credit rating of a provider of security is revised downwards;

- (iii) where (but without prejudice to any requirement of the Energy Balancing Credit Rules) any instrument of Security expires or is determined;
- (iv) where at any time National Grid NTS has reasonable grounds to believe that the effect of the review will be to reduce the User's Secured Credit Limit

provided that nothing in this Section X shall require National Grid NTS to undertake a review under paragraph 2.2.6(a)(ii) or 2.2.6(a)(iii).

- (b) Where any published credit rating of a provider of security is revised downwards to the extent that the said credit rating following such revision is less than the minimum prescribed credit rating as set out in the Energy Balancing Credit Rules, a User's Secured Credit Limit may be immediately reviewed and revised by National Grid NTS in accordance with the Energy Balancing Credit Rules, on notice to the User.

- (c) Following direction and approval from the EBCC, and in accordance with the Energy Balancing Credit Rules; for the purposes of reviewing published credit ratings National Grid NTS will procure Credit Rating Analytic Services from third parties. Costs associated with the procurement of third party Credit Rating Services shall be recovered as an amount to be included within the Adjustment Neutrality Amount under paragraph F4.5.3 (a) (viii).**

Defined Terms

A 'Credit Rating Analytic Service' is a service offered by a third party which provides regular updates of Company Published Credit Ratings.