

## 2.1c Cash Call Limit Calculations

### Definitions

For purposes of this Section 2.1c, the following definitions apply:

#### Winter

The period between the day after the payment due date of the September Balancing Invoice and the payment due date of the March Balancing Invoice.

#### Summer

The period between the day after the payment due date of the March Balancing Invoice and the payment due date of the September Balancing Invoice.

#### Seasonal

Either Winter or Summer, as required by the context.

### New Users

Cash Call Limit for New Users = 3 days non-deliverability at 12 months average System Average Price<sup>1</sup> to represent 85% of the Secured Credit Limit (based upon an estimate of projected Seasonal throughput).

e.g.

User projects 80,000,000 kWh Seasonal throughput

$$80,000,000 \text{ kWh} / 182.5 (365 / 2)$$

X 3

$$\text{X 12 month average SAP (1.843p)}$$

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$$\text{£}24,236.71^2 \text{ (Rounded = £}25,000\text{)}$$

<sup>1</sup> SAP is published by National Grid NTS at <http://www.nationalgrid.com/uk/Gas/Data/dataitemexplorer>

<sup>2</sup> The Cash Call Limit is multiplied by a factor of 100/85 to find the Secured Credit Limit.

Gareth Davies 31/8/2016 08:31

**Comment [1]:** National Grid – discussion point, should the throughput be adjusted for season?

Gareth Davies 31/8/2016 08:30

**Comment [2]:** National Grid – discussion point, should the adjust apply to existing and new users?

### Existing Users

Cash Call Limit = 75% utilisation of peak indebtedness of the relevant Season<sup>1</sup> within the last rolling 12 months to represent 85% of the Secured Credit Limit. Where that calculation determines the Users Secured Credit Limit is reduced by more than 50% the Users Secured Credit Limit may at the discretion of National Grid NTS be:

- recalculated based on 3 days non-deliverability at 12 months average SAP price in line with the provisions for New User(s); or
- the User may retain the existing level of security (if renewing an existing Security this must be for not less than 12 months).

<sup>1</sup> So for example, on 1 April 2016 (winter) a shipper's peak indebtedness would be the maximum value within the date ranges of 16 November 2015 to 1 April 2016 and 2 April 2015 to 15 May 2015. Similarly, on 15 July 2016 (summer) a shipper's peak indebtedness would be the maximum value within the date ranges of 16 May 2016 to 15 July 2016 and 16 July 2015 to 15 November 2015. Both of these examples assume payment due dates of Balancing Invoices falling on the 15th of the month.

All Users are required to maintain security at all times in order to provide sufficient protection for the gas community from User failures.  
For the avoidance of doubt, any monies held in a Users Cash Call Account shall be excluded from the calculation of peak indebtedness of the relevant Season within the last rolling 12 months..