

04/02/2011

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0305**

“RG0252 Proposal 8: Unsecured Credit Limit allocated through payment history”

Please note: that Modification Proposal No: 0305 will be implemented with effect from 06:00 hours on 01/07/2011. The Final Modification Report, Version 3.0, was signed by Ofgem on 05/11/2010.

The new Code text resulting from this Modification follows:

Modified Text:

TPD Section V

Amend paragraph 3.1.5 to read as follows:

“The Transporter may allocate an Unsecured Credit Limit to a User based upon the period of time elapsed that such User has paid all invoices by their due date for payment in accordance with Section S, such that after a calendar month and only until the second anniversary of the User’s User Accession Date, a User may be allocated an Unsecured Credit Limit on the basis of 0.4% of the relevant Transporter’s Maximum Unsecured Credit Limit over a 12 Month period and increasing on an evenly graduated basis each Month up to a maximum of 0.8% of the relevant Transporter’s Maximum Credit Limit ~~after 5 Years.~~”

Amend paragraph 3.1.6 to read as follows:

“Where a User has been allocated an Unsecured Credit Limit pursuant to paragraph 3.1.5 above, and such User subsequently fails to make payment in full of any invoice (other than in respect of Energy Balancing Charges) issued in accordance with Section S:

- (a) ~~with a total amount due of £250 or less, then such User’s Unsecured Credit Limit shall be reduced by 50% from the date of such payment default; or~~
- (a) on the Invoice Due Date for payment but payment is made in full within 2 Business Days of the Invoice Due Date (“a late payment”), the User shall pay interest on the Invoice Amount and;

(i) where a late payment is made on only one occasion in a 12 Month period the User's Unsecured Credit Limit shall not be increased in accordance with paragraph 3.1.5 above for that Month;

(ii) where a late payment is made on more than one occasion in a 12 Month period the User's Unsecured Credit Limit shall be reduced to zero from the date of the second late payment.

~~(b) with a total amount due of greater than £250, or where a User fails to make payment where payment is made more than 2 Business Days from the Invoice Due Date on any other occasion within 12 Months of a default as set out in (a) above,~~ then such User's Unsecured Credit Limit shall be reduced to zero from the date of such payment default.

Subject to paragraph 3.1.5 and this paragraph 3.1.6, the User's payment history may continue to be used following the date of any payment default as set out above to increase the reduced value of the User's Unsecured Credit Limit in accordance with paragraph 3.1.5 above.

Yours sincerely,

Bob Fletcher
Modification Panel Secretary