

14/03/2002

Dear Colleague,

**NOTICE OF IMPLEMENTATION  
MODIFICATION PROPOSAL No: 0521**

"Where a guarantor is downgraded to any speculative rating, removal of the notice period required for the revision of a User's Secured Credit Limit and Code Credit Limit"

Please note that Modification Proposal No 0521 was implemented with effect from 06:00 hours on 15/03/2002. The Final Modification Report, Version 1.0, was signed by Ofgem on 14/03/2002.

The new Network Code text resulting from this Modification follows.

**Modified Text:**

**Section V**

3.2.4(a) A User's Code Credit Limit may from time to time be reviewed and revised, in accordance with the Code Credit Rules, save where paragraph 3.2.4(b) 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) at the User's request (but subject to paragraph 3.2.7);
- (iii) where any published credit rating of the User or any person providing surety for the User is revised downwards;
- (iv) where (but without prejudice to any requirement of the Code Credit Rules) any instrument of surety or security expires or is determined;
- (v) at Transco's request where at any time Transco has reasonable grounds to believe that the effect of the review will be to reduce the User's Code Credit Limit.

3.2.4(b) Where any published credit rating of the User or any person providing surety for the User is revised downwardsto the extent that the said credit rating following such revision is less than the minimum prescribed credit rating as set out in the Code Credit

0521: Where a guarantor is downgraded to any speculative rating, removal of the notice period required for the revision of a User's Secured Credit Limit and Code Credit Limit v1.0

Rules, a User's Code Credit Limit may be immediately reviewed and revised by Transco in accordance with the Code Credit Rules, on notice to the User.

### The Supplement

2.2.6(a) A User's Secured Credit Limit may also be revised, in accordance with the Energy Balancing Credit Rules, save where paragraph 2.2.6(b) applies, on notice of not less than 30 Days (or any lesser period agreed by the User) to the User:

2.2.6(i) at intervals of approximately 12 months;

2.2.6(ii) where any published credit rating of the User or any guarantor is revised downwards;

2.2.6(iii) where (but without prejudice to any requirement of the Energy Balancing Credit Rules) any Guarantee or instrument of Security expires or is determined;

2.2.6(iv) where at any time Transco 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 Supplement shall require Transco to undertake a review under paragraph 2.2.6(ii) or 2.2.6(iii).

2.2.6(b) Where any published credit rating of the User or any guarantor providing security for the User 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 Transco in accordance with the Energy Balancing Credit Rules, on notice to the User.

Yours sincerely,

Julian Majdanski  
Modification Panel Secretary