

21/07/2006

Dear Colleague,

**NOTICE OF IMPLEMENTATION
MODIFICATION PROPOSAL No: 0077**

"Notice Period for Code Credit Limit Revision (as a consequence of Credit Rating downgrade) and remedies for non-compliance with a request for provision of additional security."

Please note that Modification Proposal No 0077 will be implemented with effect from 06:00 hours on 01/09/2006. The Final Modification Report, Version 2.0, was signed by Ofgem on 19/07/2006.

The new Code text resulting from this Modification follows.

Modified Text:

TPD SECTION V: GENERAL

Amend paragraph 3.2.4 to read as follows:

"3.2.4 A User's Code Credit Limit may from time to time be reviewed and revised, in accordance with the Code Credit Rules, save where either 3.2.5 or 3.2.6 applies, in the case of (a), (b), (d) and (e) on notice of not less than 30 Days, or in the case of (c) below on notice of not less than 2 Business Days following the Business Day on which a notice is issued in accordance with 3.2.9, (or in any such case, such lesser period agreed by the User) to the User: ..."

Add new paragraph 3.2.9 to read as follows:

"3.2.9 Where a User's Code Credit Limit has been revised downwards in accordance with paragraph 3.2.4 (c) above, the Transporter will notify the User accordingly on the next Business Day following the occurrence of the event described in paragraph 3.2.4 (c)

Add new paragraph 3.2.10 to read as follows:

3.2.10 Where the Transporter requires the User to provide additional security, the notice given in accordance with 3.2.9 shall require that such User shall provide to the Transporter, by no later than 17.00 on the second Business Day following the date of such notice, additional surety or security in a form acceptable to the Transporter for an amount notified by the Transporter, such that when applied it will result in the Relevant Code Indebtedness of the User not exceeding

100% of the Users Code Credit Limit. Where a User has not provided such additional surety or security by such second Business Day then with effect from the next Business Day next following such second Business Day the following shall be payable by the User:

(a) such amount as set out in the table below based upon the amount of additional surety or security demanded by the Transporter; and

Amount of additional security required	Amount
Up to £999.99	£40
£1,000 to £9,999.99	£70
£10,000 or more	£100

(b) a daily charge equivalent to that percentage rate as is set out from time to time in the Late Payments of Commercial Debts (Interest) Act 1998 multiplied by the amount of additional security demanded by the Transporter.

Yours sincerely,

Julian Majdanski
Modification Panel Secretary