

RATINGS COMPARISON		AGGREGATE LIMIT (Maximum exposure acceptable for an individual Financial Institution)	RATING ACTION
MOODY'S	S&P Global Ratings		
Aaa Aa1 Aa2 Aa3	AAA AA + AA AA -	£62,000,000	Rating is acceptable provided that the maximum Aggregate Limit is not exceeded
A1 A2 A3	A + A A -	£25,605,000	Rating is acceptable provided that the maximum Aggregate Limit is not exceeded
Baa Baa1 Baa2 Baa3	BBB + BBB BBB -	Zero	Rating is not acceptable. In the event of a downgrade below Moody's A3 or equivalent rating, User(s) will be notified to provide alternative Security within 30 days. If alternate Security is not provided within 30 days the User(s) Secured Credit Limit will be set to zero and indebtedness will be managed via the Cash Call process
Ba1 Ba2 Ba3 or below	BB + BB BB - or below	Zero	Rating is not acceptable. In the event of a downgrade to below Moody's Baa3 or equivalent, the User(s) will be notified to provide alternative Security and the User's Secured Credit Limit will be set to zero with immediate effect indebtedness will be managed via the Cash Call process

£25,605,000 Aggregate Limit now includes A2, A3 and A, A -

Invoicing
Discovery Day

ENERGY BALANCING
CREDIT RISK MANAGEMENT

Energy Balancing
Credit Committee
(EBCC)

Security
Management

Neutrality
Finance

Monitoring
Indebtedness

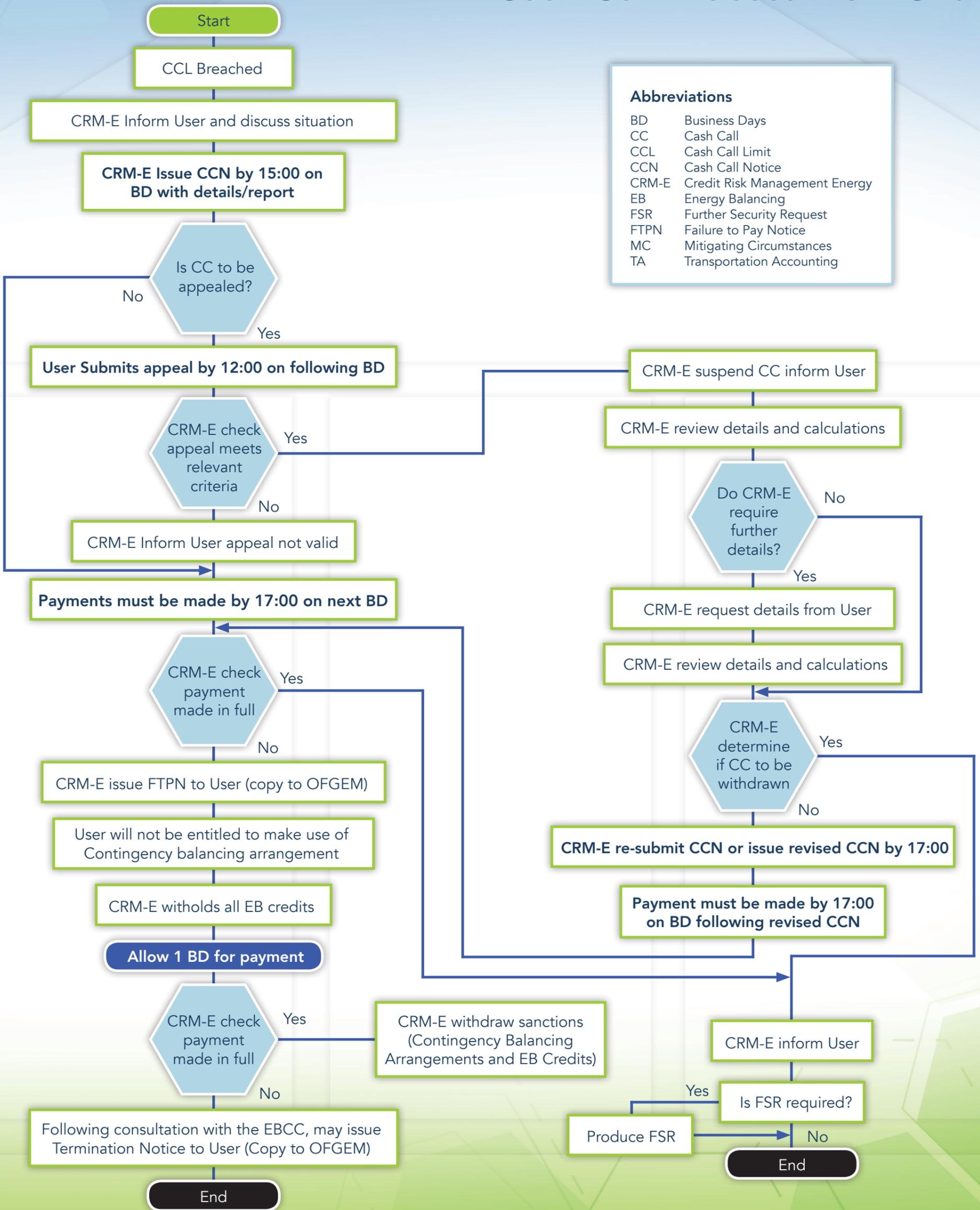
**CREDIT RISK
RESPONSIBILITIES**

Accounts
Receivable

Cash
Management

operationally
excellent

xserve



Abbreviations

BD	Business Days
CC	Cash Call
CCL	Cash Call Limit
CCN	Cash Call Notice
CRM-E	Credit Risk Management Energy
EB	Energy Balancing
FSR	Further Security Request
FTPN	Failure to Pay Notice
MC	Mitigating Circumstances
TA	Transportation Accounting

What are the consequences of utilisation going over 100%?

- A **Cash Call Notice** will be issued requesting payment by D+1 of the Issue Date
- Non-payment would result in a **Failure to Pay Notice** being issued
- If this is not resolved, an **emergency EBCC meeting** would be convened

How can I avoid a Cash Call?

- Ensure that Users **monitor their imbalance positions on a daily basis** as this would have an impact on Cashout charges and accruals
- Also impacts on invoices being raised e.g. Amendment Invoice and Energy Balancing Invoice as this would have an impact until the invoice has been settled

What types of security are acceptable for Energy Balancing activities?

- Irrevocable Standby Letter of Credit
- Non-Registrable Deposit Deed

What happens 30 days prior to the expiry date of a Letter of Credit?

- Security is deemed to have a **value of zero**, therefore it is imperative that Security is renewed in time to avoid a Cash Call being issued

Can I change the level of security I hold based on my throughputs?

- **Yes**, MOD0587 was introduced to give Users the opportunity to change to a Summer/Winter period
- This is a **chargeable Specific Service**