

**DCP 409 'Change to Credit cover calculations to include Last Resort Supply Payment'**

**Draft Legal Text Proposal B**

**In Clause 1 (Definitions and Interpretation) add a new definition as follows:**

**Valid Claim** means a Valid Claim (as defined in the Distribution Licence) under Condition 38B of the Distribution Licence.

**Amend Paragraph 2.2 of Schedule 1 (Cover) as follows:**

**The User's Value at Risk**

2.2 At any time, the User's Value at Risk shall be the aggregate of:

- (a) billed but unpaid Charges which are not currently subject to a Designated Dispute (as defined in Schedule 4) and which have been billed to the User according to an established billing cycle operated by the Company pursuant to this Agreement;

plus

- (b) the Fifteen Days' Value, which shall be the estimated value of the Charges that would be incurred by the User for a further 15 days from that time, based on the average daily Charges billed to the User (whether under this Agreement or any use of system agreement applying between the User and the Company immediately before this Agreement became effective) using the latest available bill raised in respect of a full calendar month (or a number of days that approximates to a full calendar month), according to the established billing cycle operated by the Company;

less the sum of (c) and (d)

- (c) any credit notes and any amounts paid to the Company by the User in the form of a Prepayment or an Advance Payment-; and

(d) the full value of all payments due (but not yet paid) to the User as a result of one or more Valid Claims (whether or not those payments are yet payable).

PROVIDED THAT: if the above calculation results in a negative value, then the User's Value at Risk shall be deemed to be zero.