
DRAFT STATUTORY INSTRUMENTS

2023 No.

The Nuclear Regulated Asset Base Model
(Revenue Collection) Regulations 2023

PART 2

Supplier obligation

CHAPTER 7

Collateral

Calling of collateral

21.—(1) Collateral provided by an electricity supplier is called by the revenue collection counterparty where the revenue collection counterparty issues a notice to that supplier which sets out the amount of collateral which is to be called.

(2) The revenue collection counterparty may issue a notice under paragraph (1) to an electricity supplier if that supplier has failed to make a relevant payment and—

- (a) 2 working days have passed since the day on which that supplier should have made that payment; or
- (b) the revenue collection counterparty is of the opinion that there is no prospect of that supplier making that payment by 2 working days after the day on which that supplier should have made that payment.

(3) The amount of collateral which may be called by the revenue collection counterparty where a supplier has failed to make a relevant payment is the lesser of—

- (a) the amount of collateral provided by that supplier; or
- (b) the amount of that relevant payment or, where there is more than one relevant payment which that supplier has failed to make and in respect of which a notice under paragraph (1) could be issued, the sum of all relevant payments in respect of which a notice under paragraph (1) could be issued.

(4) Where the whole or part of a supplier's collateral which was provided in the form of cash has been called by the revenue collection counterparty, that amount is to be treated as a payment made by that supplier to the revenue collection counterparty at the time that collateral was called.

(5) Where the whole or part of a supplier's collateral which was provided in the form of a letter of credit has been called by the revenue collection counterparty—

- (a) the revenue collection counterparty must take steps to demand payment from the person who provided the letter in the amount of the lesser of—
 - (i) the amount which can be demanded under that letter, or
 - (ii) the amount of collateral which has been called; and

- (b) the amount which has been paid to the revenue collection counterparty under that letter is to be treated as a payment by that supplier to the revenue collection counterparty made at the time that amount is received by the revenue collection counterparty.
- (6) In this regulation “relevant payment” means any payment which a supplier is required to make by virtue of regulation 7(1), 8(2), 10(1), 13(3), 16(3)(a) or 17(6) which has not been made by that supplier by the time that payment should have been made, and which remains unpaid.