

Alternative credit support arrangement options.

Bristol Water are pleased to offer retailers a number of alternative credit support arrangement options. The current agreements in place with retailers will be added to this section. Please contact our Wholesale Services team to take advantage of any of these options, or to discuss an alternative you would like us to consider. Retailers on existing arrangements should contact us if you would like to change to one of our updated options.

Option 1 – payment history

Following 12 months under the standard unsecured alternative credit arrangements, where a retailer has one or less failure to make payment due under the contract in the preceding 24 months, the unsecured alternative credit arrangement may be increased to £20,000 (twenty thousand pounds).

Following 24 months under the standard unsecured alternative credit arrangements, where a retailer has one or less failure to make payment due under the contract in the preceding 36 months, the unsecured alternative credit arrangement may be increased to £30,000 (thirty thousand pounds).

Where these conditions no longer apply or as otherwise under the terms of the agreement, the retailer will revert to the standard unsecured alternative credit arrangement limit of £10,000.

Option 2 – retailer nominated arrangements

In addition to the standard unsecured alternative credit arrangement, Bristol Water will consider retailer proposals for a higher value for alternative credit arrangements.

Where alternative credit support is provided (e.g. through cash security accounts, letters of credit, third party guarantee, surety bond or insurance), then this will apply to the relevant amount in addition to the standard unsecured alternative credit arrangements set out above.

Option 3 – credit reference reports

Where the retailer agrees to provide quarterly credit reference reports from a Nominated Credit Scoring Agency (Dun & Bradstreet or alternative

provider to be agreed), which shows the retailer to represent a low or low/medium risk, the value of the standard unsecured alternative credit arrangements shall be £30,000 (thirty thousand pounds), or 1% of the maximum credit recommendation, whichever is lower.

Option 4 – investment grade status

Where the retailer can demonstrate that it maintains Investment grade status then the level of unsecured alternative credit arrangements will be £30,000 (thirty thousand pounds).

Investment grade status - For the purposes of this Agreement means: a credit rating by one of the following credit rating agencies: Standard & Poor's, Fitch, or Moody's within the following listed credit grades (down to triple B -). Or direct or indirect majority ownership or control by the government of an EU member state, the government of a member state of the European Economic Area, the UK Government (or any devolved administration of the foregoing including the devolved Scottish, Welsh and Northern Ireland administrations).

Where the relevant retailer provides more than one form of alternative credit arrangements support, we will consider retailer proposals for these to be additive. In general, only one of options 3 and 4 would be necessary to qualify for additional alternative credit arrangements where the retailer does not qualify for option 1.