

December 2001

**DRAFT MODIFICATION REPORT**

**MODIFICATION PROPOSAL P56 - Proposed Modification to the  
BSC in order to reflect amended references in the National Grid  
Company plc's Transmission Licence**

Prepared by ELEXON on behalf of the Balancing and Settlement Code Panel

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## I DOCUMENT CONTROL

### a Authorities

Version	Date	Author	Signature	Change Reference
0.2	18/12/01	ELEXON		Consultation version

Version	Date	Reviewer	Signature	Responsibility

### b Distribution

Name	Organisation
BSC Panel	Various

### c Intellectual Property Rights and Copyright

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## **1 BACKGROUND AND RECOMMENDATIONS**

### **1.1 Background**

Modification Proposal P56 was raised on 3 December 2001 by the National Grid Company (NGC). The proposal seeks to realign all cross-references between the Balancing and Settlement Code (BSC) and NGC's Transmission Licence.

The BSC contains numerous references to specific conditions contained within the Transmission Licence. Substantial amendments were made to the form of the Transmission Licence with effect from 1 October 2001 as a consequence of the determination of Standard Licence Conditions for Electricity Transmission Licences by the Secretary of State pursuant to provisions of the Utilities Act 2000. These amendments have resulted in the vast majority of conditions within the Transmission Licence being renumbered on and with effect from 1 October 2001. The purpose of this P56 is to amend the numbering of all those references within the BSC to specific provisions of the Transmission Licence, in order to match the revised numbering.

The proposal was first submitted to the BSC Panel on 13 December 2001 [and proceeded directly to the Report Phase, as the changes are of a minor and inconsequential nature. After consultation with interested parties, the Panel considered this Modification Report at its meeting on 17 January 2002 and determined to make the recommendations set out below.]

### **1.2 Recommendations**

[On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal, the BSC Panel recommends that:

- The Authority should approve this Proposed Modification, as set out in Section 5 of this report; and
- If approved, the Proposed Modification should be implemented 5 working days after the date of the Authority's determination.]

### **1.3 Rationale for Recommendations**

[It is in the interests of all parties that all references in the BSC to the Transmission Licence are accurate.

The Panel is of the view that this modification would better facilitate the achievement of the Applicable BSC Objectives contained in Condition C3 of the Transmission Licence. In particular, the modification is justified with reference to the objective in Condition C3(3)(d) (*'promoting efficiency in the implementation and administration of the balancing and settlement arrangements'*). The proposal has no impact on any of the other objectives, as set out in Condition C3(3)(a) to (c).]

## 2 DESCRIPTION OF PROPOSED MODIFICATION

The Proposed Modification requires all current references in the BSC to the numbering of specific provisions of NGC's Transmission Licence to be updated to match the revised numbering in the licence, as detailed in the table below.

Pre 1/10/01 Licence References	Impacted BSC Sections	Post 1/10/01 Licence References
7A	Section B (1.2.1(b)) Section C (3.8.4, 3.8.8) Section F (1.7.1) Section H (8.1.1)	C3
7C	Annex X-1 (Definition of "Implementation Scheme")	C4
10F	Annex X-1 (Definition of "Master Connection and Use of System Agreement")	C7F

## 3 ASSESSMENT

As the changes described in this report are contained to BSC drafting revisions and are of a minor and inconsequential nature, it has not been necessary to undertake a detailed assessment of the impact of making the changes on central and parties' systems and processes. These changes have no impact on the systems or processes of ELEXON, BSC Agents, Parties or Party Agents.

## 4 SUMMARY OF REPRESENTATIONS

[Insert summary of responses to consultation on Draft Modification Report. Insert and refer to copies of all representations at Annex 2.]

## 5 LEGAL TEXT TO MODIFY THE BSC

### In Section B:

- 1.2.1 The Panel shall conduct its business under the Code with a view to achieving the following objectives:
- (a) that the Code is given effect fully and promptly and in accordance with its terms;
  - (b) that the Code is given effect in such manner as will facilitate achievement of the objectives (so far as applicable to the manner in which the Code is given effect) set out in Condition ~~7A-C3~~(3)(a) to (c) of the Transmission Licence, namely:

### In Section C:

- 3.8.4 In order to assist BSCCo to carry out any review under paragraph 3.8.1, the Transmission Company shall, at BSCCo's request, provide to BSCCo an assessment of the effect of the Code (or any aspect of the Code specified by BSCCo) on the matters referred to in Condition ~~7A-C3~~(3)(a) and (b) of the Transmission Licence.
- 3.8.8 In addition to the foregoing, BSCCo shall keep under review whether any possible modification of the Code from time to time would better facilitate the objective in Condition ~~7A-C3~~(3)(d) of the Transmission Licence, and shall recommend to the Panel any particular such modification which in BSCCo's opinion would do so.

### In Section F:

- 1.7.1 If the Authority issues a direction to the Transmission Company pursuant to condition ~~7A-C3~~ of the Transmission Licence in the circumstances described in paragraph 1.7.3, the following provisions shall apply in relation to a particular Modification Proposal or Approved Modification:

### In Section H:

- 8.1.1 Where the Code expressly provides that a matter or question may be referred to the Authority for determination (as provided in Condition ~~7A-C3~~ of the Transmission Licence), the provisions of this paragraph 8 shall apply in the event of any such reference (unless and to the extent otherwise expressly stated).

### In Annex X-1:

#### "Implementation Scheme ":

means the programme implementation scheme designated by the Secretary of State pursuant to Condition ~~7C-C4~~ of the Transmission Licence and equivalent conditions of other Licences, as from time to time modified;

### In Annex X-1:

#### "Master Connection and Use of System Agreement":

means the agreement envisaged in Condition ~~10B-C7F~~ of the Transmission Licence and/or any Connection and Use of System Code (and the framework agreement by which such code is made binding) established pursuant to the Transmission Licence which replaces such agreement in whole or part;

## ANNEX 1 – COPY OF MODIFICATION PROPOSAL

<b>Modification Proposal</b>	<b>MP No: 56</b> <i>(mandatory by BSCCo)</i>
<b>Title of Modification Proposal</b> <i>(mandatory by proposer):</i> Proposed Modification to the BSC in order to reflect amended references in The National Grid Company plc's Transmission Licence.	
<b>Submission Date</b> <i>(mandatory by proposer):</i> 3 December 2001	
<b>Description of Proposed Modification</b> <i>(mandatory by proposer):</i> As a consequence of the determination of Standard Licence Conditions for Electricity Transmission Licences by the Secretary of State pursuant to section 33 of the Utilities Act 2000 and the Scheme made by the Secretary of State pursuant to Paragraph 18 of Schedule 7 to the Utilities Act 2000 in respect to the transmission licence granted to The National Grid Company plc ("National Grid"), substantial amendments were made to the form of National Grid's transmission licence with effect from 1 October 2001.  The changes referred to above have resulted in the vast majority of conditions within National Grid's transmission licence being renumbered on and with effect from 1 October 2001.  The Balancing and Settlement Code ("BSC") contains numerous references to specific conditions contained within the "Transmission Licence" (as defined in the BSC). The purpose of this Modification is to amend the numbering of all those references within the BSC to specific provisions of National Grid's transmission licence to match the revised numbering in the licence.	
<b>Description of Issue or Defect that Modification Proposal Seeks to Address</b> <i>(mandatory by proposer):</i> Current references in the BSC to the numbering of specific provisions of National Grid's transmission licence which need to be updated to match the revised numbering in the licence.	
<b>Impact on Code</b> <i>(optional by proposer):</i> References throughout the BSC to specific provisions of National Grid's transmission licence will need to be amended. The references are mainly included within sections B, C, and F but this will need to be confirmed.	
<b>Impact on Core Industry Documents</b> <i>(optional by proposer):</i> None	
<b>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties</b> <i>(optional by proposer):</i> None	
<b>Impact on other Configurable Items</b> <i>(optional by proposer):</i> None	

<b>Modification Proposal</b>	<b>MP No: 56</b> <i>(mandatory by BSCCo)</i>
<b>Justification for Proposed Modification with Reference to Applicable BSC Objectives</b> <i>(mandatory by proposer):</i> The modification will better meet the following applicable BSC Objective: (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.	
<b>Details of Proposer:</b> <b>Name:</b> Clare Talbot <b>Organisation:</b> National Grid <b>Telephone Number:</b> 02476 423969 <b>Email Address:</b> clare.talbot@uk.ngrid.com	
<b>Details of Proposer's Representative:</b> <b>Name:</b> Clare Talbot <b>Organisation:</b> National Grid <b>Telephone Number:</b> 02476 423969 <b>Email Address:</b> clare.talbot@uk.ngrid.com	
<b>Details of Representative's Alternate:</b> <b>Name:</b> Richard Lavender <b>Organisation:</b> National Grid <b>Telephone Number:</b> 02476 423967 <b>Email Address:</b> richard.lavender@uk.ngrid.com	
<b>Attachments: NO</b> <b>If Yes, Title and No. of Pages of Each Attachment:</b>	



## **ANNEX 2 – REPRESENTATIONS**

[Insert copies of representations on Draft Modification Report]