

SECTION F: MODIFICATION PROCEDURES

1. MODIFICATION OF THE CODE

1.1 Modification

- 1.1.1 The Code may be modified from time to time (and may only be modified) pursuant to the Transmission Licence.
- 1.1.2 Upon service by the Transmission Company to the Modification Secretary of a notice of modification signed by the Transmission Company in accordance with a direction of the Authority issued pursuant to the Transmission Licence:
- (a) the Code shall be modified in accordance with the terms of such notice; and
 - (b) the Modification Secretary shall forthwith copy such notice to:
 - (i) each Party;
 - (ii) each Panel Member;
 - (iii) the Authority;
 - (iv) each BSC Agent; and
 - (v) each Core Industry Document Owner.
- 1.1.3 Subject to paragraph 2.11.8, a modification of the Code shall take effect from the time and date specified in the notice referred to in paragraph 1.1.2 or, in the absence of any such time and date, from 00:00 hours on the day next following the date of service of such notice to the Modification Secretary (without prejudice to the Implementation Date, if different).
- 1.1.4 If the Transmission Company is notified by the Authority that the Authority does not intend to direct the Transmission Company to make a modification following submission of a Modification Report pursuant to paragraph 2.7.6, the Transmission Company shall notify the Modification Secretary and the Modification Secretary shall notify each of the persons referred to in paragraph 1.1.2(b) accordingly.
- 1.1.5 Paragraphs 1 and 2 of this Section F set out the procedures for modification of the Code as required by the Transmission Licence.
- 1.1.6 A modification made pursuant to and in accordance with paragraph 1.1.2 shall not be impaired or invalidated in any way by any failure to comply with or give effect to the succeeding provisions of this paragraph 1 and/or the provisions of paragraph 2.
- 1.1.7 For the avoidance of doubt the provisions of this Section F apply to the Code including the Pool Supplement.

1.2 Role of the Panel, BSCCo and the Modification Secretary

- 1.2.1 The Panel shall be responsible for the operation of the Modification Procedures in accordance with the provisions of the Code.
- 1.2.2 Without prejudice to the generality of Section B1.2.1 and to the further provisions of this Section F, the Panel shall endeavour at all times to operate the Modification Procedures:

- (a) in an efficient, economical and expeditious manner, taking account of the complexity, importance and urgency of particular Modification Proposals; and
 - (b) with a view to ensuring that the Code facilitates achievement of the Applicable BSC Objective(s).
- 1.2.3 BSCCo shall be responsible for implementing Approved Modifications in accordance with the provisions of the Code (on the terms set out in this Section F).
- 1.2.4 Without prejudice to the generality of Section C1.2 and to the further provisions of this Section F, BSCCo shall implement Approved Modifications in an efficient, economical and expeditious manner and (subject to paragraph 2.11.8) in accordance with the Implementation Date contained in the notice referred to in paragraph 1.1.2.
- 1.2.5 The Panel shall be assisted by a secretary (to be known as the "**Modification Secretary**"), who shall be a person nominated and provided by BSCCo (and may but need not be the same person as the Panel Secretary) and who shall be responsible for the administration of the Modification Procedures.
- 1.3 Modification Register**
- 1.3.1 The Panel shall establish and maintain a register (the "**Modification Register**") which shall record, in such form as the Panel may determine, the matters set out in paragraph 1.3.3.
- 1.3.2 The purpose of the Modification Register shall be to assist the Panel in the operation of the Modification Procedures and to enable Parties and interested third parties to be reasonably informed of the progress of Modification Proposals and Approved Modifications from time to time.
- 1.3.3 The Modification Register shall record in respect of current outstanding Modification Business:
 - (a) details of each Modification Proposal (including the name of the Proposer, the date of the Modification Proposal and a brief description of the Modification Proposal);
 - (b) whether each Modification is an Urgent Modification Proposal;
 - (c) the current status and progress of each Modification Proposal and the anticipated date for reporting to the Authority in respect thereof;
 - (d) the current status and progress of each Approved Modification; and
 - (e) such other matters as the Panel may consider appropriate from time to time in order to achieve the purposes set out in paragraph 1.3.2.
- 1.3.4 The Modification Register (as updated from time to time and indicating the revisions since the previous issue) shall be published on the BSC Website or (in the absence, for whatever reason, of the BSC Website) in such other manner and with such frequency (being not less than once per month) as the Panel may decide in order to bring it to the attention of Parties and interested third parties.
- 1.3.5 The Modification Register shall include details of:
 - (a) each Modification Proposal which has been withdrawn pursuant to paragraph 2.1.12 or rejected by the Authority; and

- (b) each Approved Modification which has been implemented,

for a period of 3 months after such withdrawal, rejection or implementation, or such longer period as the Panel may determine.

1.4 Monthly Progress Report

- 1.4.1 The Panel shall prepare and submit to the Authority each month a progress report (to be known as the "**Monthly Progress Report**") setting out the matters referred to in paragraph 1.4.2 in respect of the preceding month.

- 1.4.2 The Monthly Progress Report shall contain:

- (a) details of any proposal which has been refused pursuant to paragraph 2.1.3 or paragraph 2.1.4;
- (b) the current version of the Modification Register;
- (c) details of:
 - (i) the priority which the Panel is proposing to accord or is according to the Modification Proposals contained in the Modification Register (in accordance with paragraph 2.2.3);
 - (ii) the scheduling and timetable for consideration of each Modification Proposal and completion of the Modification Report in respect thereof in the context of all other current Modification Proposals;
 - (iii) the impact of the priority accorded to each Modification Proposal by reference to each other pending Modification Proposal;
- (d) details of any decision to amalgamate Modification Proposals in accordance with paragraph 2.3;
- (e) details of any decision to suspend a Definition Procedure or an Assessment Procedure in relation to a particular Modification Proposal and to proceed directly to the Report Phase in accordance with paragraph 2.2.11;
- (f) details of any circumstances which lead the Panel to believe that the Implementation Date for an Approved Modification is unlikely to be met or should be brought forward and, if so, why;
- (g) such other matters as the Authority may request to be included from time to time; and
- (h) the basis for each of the decisions referred to above (including, where applicable, the cost and other implications of those decisions).

- 1.4.3 If, following discussion with the Panel, the Authority issues a notice to the Modification Secretary requesting the Panel (in relation to developments and changes highlighted in the Monthly Progress Report):

- (a) not to reject a Modification Proposal pursuant to paragraph 2.1.4; and/or
- (b) not to amalgamate Modification Proposals as set out in the Monthly Progress Report; and/or

- (c) to accord a different priority to particular Modification Proposals from that set out in the Monthly Progress Report; and/or
- (d) to amend the timetable for definition and/or assessment and evaluation of a Modification Proposal,

the Panel shall comply with such notice.

- 1.4.4 The Modification Secretary shall publish each Monthly Progress Report on the BSC Website within 7 Business Days after it is sent to the Authority, provided that the Modification Secretary shall exclude therefrom any matters in respect of which the Authority issues a notice to the Modification Secretary for the purposes of this paragraph 1.4.4.

1.5 Standing Lists

- 1.5.1 The Panel shall establish and maintain a list of persons with relevant experience and/or expertise who may be willing to be members of a Modification Group established pursuant to paragraph 2.4.
- 1.5.2 Parties may submit suggestions to the Panel for suitable candidates to be included on such list (together with details of their relevant experience and/or expertise).
- 1.5.3 It is expected that Parties shall make available a reasonable level of suitably qualified personnel to act as members from time to time of Modification Groups established by the Panel pursuant to paragraph 2.4.

1.6 Change Co-ordination

- 1.6.1 The Panel shall establish (and, where appropriate, revise from time to time) joint working arrangements, consistent with any IS Policies relating to change co-ordination, with each Core Industry Document Owner to facilitate the identification, co-ordination, making and implementation of change to Core Industry Documents consequent on a Code Modification in a full and timely manner.
- 1.6.2 The working arrangements referred to in paragraph 1.6.1 shall be such as enable the consideration, development and evaluation of Modification Proposals, and the implementation of Approved Modifications, to proceed in a full and timely manner and enable changes to Core Industry Documents consequent on a Code Modification to be made and given effect wherever possible (subject to any necessary consent of the Authority) at the same time as such Code Modification is made and given effect.
- 1.6.3 The Panel shall endeavour to establish the joint working arrangements referred to in paragraph 1.6.1 by no later than the Go-live Date.
- 1.6.4 For the purposes of this Section F:
 - (a) **"Core Industry Documents"** shall have the meaning ascribed to such term in the Transmission Licence; and
 - (b) **"Core Industry Document Owner"** means, in relation to a Core Industry Document, the body or entity which is responsible for the management and operation of procedures for making changes to such document.
- 1.6.5 The Parties shall comply with the procedures set out in any IS Policies relating to the co-ordination of change, including ensuring that a person is appointed within their

organisation with overall responsibility for changes to the Code and Code Subsidiary Documents.

1.6.6 The provisions of this paragraph 1.6 are without prejudice to paragraph 2.12.

1.7 Role of the Transmission Company

1.7.1 If the Authority issues a direction to the Transmission Company pursuant to condition 7A 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:

- (a) the Transmission Company shall be entitled to, and shall, assume responsibility for the Modification Procedures to the extent, on the terms and for the period set out in such direction;
- (b) the Panel, the Panel Chairman, the Modification Secretary and BSCCo shall provide such assistance to the Transmission Company and shall take such steps as the Transmission Company may reasonably request to enable the Transmission Company to comply with such direction (and, in the case of BSCCo, such assistance shall include the provision at the cost of BSCCo of all necessary data, facilities, suitably qualified staff and other support and the exercise and enforcement, at the request of the Transmission Company, of relevant rights under the BSC Agent Contracts);
- (c) subject to paragraph 1.7.1(b), the powers, functions and duties of the Panel, the Panel Chairman, the Modification Secretary and BSCCo in relation to the Modification Procedures shall be suspended to the extent and for the period that the Transmission Company is to assume responsibility for the Modification Procedures as set out in such direction;
- (d) the Transmission Company shall assume (and there are hereby conferred on the Transmission Company) the powers, functions and duties of the Panel, the Panel Chairman, the Modification Secretary and BSCCo in relation to the Modification Procedures to the extent and for the period that the Transmission Company is to assume responsibility for the Modification Procedures as set out in such direction;
- (e) the Transmission Company shall operate the Modification Procedures in accordance with the provisions mutatis mutandis of this Section F and having regard, wherever possible, to the provisions of Section B and Section C as they relate to the Modification Procedures;
- (f) the costs and expenses of the Transmission Company properly incurred in the operation of the Modification Procedures pursuant to such direction (as approved by the Authority) shall be paid by BSCCo to the Transmission Company and recovered by BSCCo from Trading Parties in accordance with the provisions of Section D;
- (g) the benefit of Section B2.9.1 shall be extended to apply to the Transmission Company, as if references to a Panel Member were to the Transmission Company, to the extent that the Transmission Company is carrying out the functions of the Panel pursuant to this paragraph 1.7.

1.7.2 The Transmission Company shall notify the Modification Secretary as soon as possible after receipt of any direction referred to in paragraph 1.7.1 and the Modification Secretary shall copy such direction forthwith to:

- (a) each Party;
- (b) each Panel Member;
- (c) the Authority;
- (d) each BSC Agent; and
- (e) where the Modification Proposal or Approval Modification affects a Core Industry Document, the relevant Core Industry Document Owner.

1.7.3 The circumstances referred to in paragraph 1.7.1 are that:

- (a) in the Authority's opinion, the Panel and/or BSCCo is failing or is likely to fail in any material respect to comply with the provisions of this Section F as they relate to the operation of the Modification Procedures and/or the implementation of Approved Modifications in respect of a particular Modification Proposal or Approved Modification; and
- (b) the Authority has given notice to the Modification Secretary requiring the Panel or BSCCo (as the case may be) to comply with such provisions within the time specified in such notice; and
- (c) the Panel or BSCCo (as the case may be) fails to do so in any material respect within the time specified in such notice (or such longer period as the Authority may agree).

1.7.4 The Modification Secretary shall copy any notice given pursuant to paragraph 1.7.3 to:

- (a) each Party; and
- (b) each Panel Member.

1.8 Transitional Arrangements

1.8.1 The provisions of this Section F as they relate to modification of the Code shall be suspended for the period set out in the Implementation Scheme.

1.8.2 If the Code is modified pursuant to the Implementation Scheme, the Panel may following the Go-live Date or, at the request of any Party, shall order a review of such modification to be carried out by a Modification Group, on such terms as the Panel may decide, within 3 months after the Go-live Date in order to assess whether the purpose of the modification could be achieved more efficiently in another way.

1.8.3 For the purposes of paragraph 1.8.2, the provisions of paragraph 2.4 shall apply mutatis mutandis to the establishment and conduct of a Modification Group charged with undertaking a review pursuant to paragraph 1.8.2.

1.8.4 The results of the review referred to in paragraph 1.8.2 shall be sent to the Authority and to each person referred to in paragraph 1.1.2(b) and published by the Panel in such manner as the Panel sees fit.

1.9 Interpretation

- 1.9.1 For the purposes of this Section F, in relation to an Approved Modification, 'implement' (and derivative terms) shall mean 'bring into operational effect'.

2. CODE MODIFICATION PROCEDURES

2.1 Modification Proposals

- 2.1.1 A proposal to modify the Code may be made by any of the following:

- (a) a Party (other than BSCCo or the BSC Clearer);
- (b) the National Electricity Consumers Council;
- (c) such other bodies representative of interested third parties as may be designated in writing for this purpose by the Authority from time to time;
- (d) the Panel:
 - (i) on the recommendation of BSCCo in accordance with Section C3.8.8 or Section H9.8;
 - (ii) on the recommendation of BSCCo following receipt by BSCCo of a change request proposing a change to a Core Industry Document which would, if made, have an impact on the Code;
 - (iii) on the recommendation of BSCCo where BSCCo becomes aware of a change in circumstances, since approval of a Proposed Modification, which would make the implementation of that Approved Modification impossible or significantly more costly than anticipated at the time such Modification was approved or no longer relevant;
 - (iv) on the recommendation of BSCCo to rectify manifest errors in or to correct minor inconsistencies (or make other minor consequential changes) to the Code;
 - (v) on the recommendation of the Trading Disputes Committee in consequence of a Trading Dispute;
 - (vi) in the circumstances described in paragraph 2.12

provided that, where the Panel decides to make a proposal in any of the circumstances set out in paragraphs (i) to (vi), such proposal shall be without prejudice to the Panel's decision, pursuant to paragraph 2.7, as to whether or not to recommend to the Authority that such modification should be made.

- 2.1.2 A proposal made pursuant to paragraph 2.1.1 shall be submitted in writing in accordance with BSCP 76, and shall contain the following information in relation to such proposal:

- (a) the name of the Proposer;
- (b) the name of the representative of the Proposer (and his alternate) who shall represent the Proposer in person for the purposes of this paragraph 2;

- (c) a description (in reasonable but not excessive detail) of the issue or defect which the proposed modification seeks to address;
- (d) a description (in reasonable but not excessive detail) of the proposed modification and of its nature and purpose;
- (e) where possible, an indication of those parts of the Code which would require amendment in order to give effect to (and/or would otherwise be affected by) the proposed modification and an indication of the nature of those amendments or effects;
- (f) the reasons why the Proposer believes that the proposed modification would better facilitate achievement of the Applicable BSC Objective(s) as compared with the then current version of the Code;
- (g) where possible, an indication of the impact of the proposed modification on Core Industry Documents;
- (h) where possible, an indication of the impact of the proposed modification on BSC Systems and on other relevant computer systems and processes used by Parties.

2.1.3 If a submitted proposal fails in any material respect to comply with the requirements of paragraph 2.1.2 (excluding paragraphs (e), (g) and (h) thereof), the Modification Secretary may refuse to accept such submission provided that:

- (a) the Modification Secretary shall furnish the Proposer with the reasons for such refusal;
- (b) the Modification Secretary shall report such refusal to the Panel at the next Panel meeting;
- (c) if the Panel decides to reverse the Modification Secretary's decision to refuse the submission, the Modification Secretary shall notify the Proposer accordingly and the proposal shall be dealt with in accordance with the succeeding provisions of this paragraph 2;
- (d) nothing in this paragraph 2.1.3 shall prevent a Proposer from submitting a revised proposal in compliance with the requirements of paragraph 2.1.2 in respect of the same subject-matter.

2.1.4 Without prejudice to the development of any Alternative Modification pursuant to paragraph 2.6.2, the Panel may refuse to accept the submission of a proposal made pursuant to paragraph 2.1.1 if and to the extent that such proposal has, in the opinion of the Panel, substantially the same effect as:

- (a) a Pending Modification Proposal; or
- (b) a Rejected Modification Proposal, where such proposal is made at any time within 2 months after the decision of the Authority not to direct the Transmission Company to modify the Code pursuant to the Transmission Licence in the manner set out in such Modification Proposal.

2.1.5 For the purposes of paragraph 2:

- (a) a **"Pending Modification Proposal"** is a Modification Proposal in respect of which, at the relevant time, the Authority has not yet made a decision as to

whether to direct such Proposed Modification to be made pursuant to the Transmission Licence (whether or not a Modification Report has been submitted in respect of such Modification Proposal); and

- (b) a "**Rejected Modification Proposal**" is a Modification Proposal in respect of which the Authority has decided not to direct the Transmission Company to modify the Code pursuant to the Transmission Licence in the manner set out therein.
- 2.1.6 The Modification Secretary shall notify the Proposer if the Panel refuses to accept the submission of a proposal pursuant to paragraph 2.1.4.
- 2.1.7 A proposal made pursuant to paragraph 2.1.1 and not refused pursuant to paragraph 2.1.3 or 2.1.4 shall be processed as a Modification Proposal as further provided in this paragraph 2.
- 2.1.8 With a view to assisting the Panel in its determination pursuant to paragraph 2.2.3, BSCCo shall prepare an initial written assessment of the implications of each Modification Proposal as soon as reasonably practicable after such Modification Proposal is made and shall endeavour to complete such assessment such that it can be reviewed by the Panel at the Panel meeting at which such Modification Proposal is first to be considered.
- 2.1.9 Subject to paragraph 2.9, the Modification Secretary shall place the Modification Proposal on the agenda of the next Panel meeting in accordance with the provisions of Section B4.1.
- 2.1.10 The Modification Secretary shall as soon as reasonably practicable:
- (a) send a copy of the Modification Proposal and (if available) the initial assessment prepared by BSCCo pursuant to paragraph 2.1.8 to:
 - (i) each Party;
 - (ii) each BSC Agent;
 - (iii) the Authority;
 - (iv) each Panel Member;
 - (v) the National Electricity Consumers Council;
 - (vi) any other body designated by the Authority pursuant to paragraph 2.1.1(c);
 - (vii) each Core Industry Document Owner;
 - (b) post a copy of the Modification Proposal on the BSC Website or, failing that, publish the Modification Proposal in such other manner as may be appropriate to bring it to the attention of interested third parties.
- 2.1.11 It shall be a condition to the right to make a proposal to modify the Code under this paragraph 2.1 that the Proposer:
- (a) assigns fully, irrevocably and unconditionally any and all present and future rights, IPRs or moral rights it may have in such proposal (as regards use or application in Great Britain) to BSCCo and each Proposer acknowledges and agrees that any such rights, IPRs and moral rights shall vest in BSCCo unconditionally; and

- (b) warrants that, to the best of its knowledge, information and belief, no other person has asserted to the Proposer that such person has any IPRs or moral rights or rights of confidence in such proposal.
- 2.1.12 A Proposer may withdraw his Modification Proposal on notice to the Modification Secretary at any time prior to the Panel meeting at which such Modification Proposal is to be considered for the first time, in which case the Modification Secretary shall promptly:
 - (a) revise the Modification Register;
 - (b) notify the persons referred to in paragraph 2.1.10(a); and
 - (c) remove the Modification Proposal from the agenda of the next Panel meeting.
- 2.1.13 The provisions of Section B4 shall apply in relation to the convening and conduct of Panel meetings for the purposes of Modification Business.
- 2.2 Panel Proceedings**
- 2.2.1 The provisions of this paragraph 2.2 are subject to:
 - (a) paragraph 2.9; and
 - (b) paragraph 2.12.
- 2.2.2 The Proposer's representative shall attend the Panel meeting at which its Modification Proposal is first to be considered and the Panel may invite the Proposer's representative to present his Modification Proposal to the Panel.
- 2.2.3 In relation to each new Modification Proposal, the Panel shall determine:
 - (a) whether to amalgamate the Modification Proposal with any other Modification Proposal in accordance with paragraph 2.3;
 - (b) whether to:
 - (i) submit the Modification Proposal to the Definition Procedure pursuant to paragraph 2.5; or
 - (ii) submit the Modification Proposal to the Assessment Procedure pursuant to paragraph 2.6; or
 - (iii) proceed directly to the Report Phase pursuant to paragraph 2.7;
 - (c) where the Modification Proposal is to be submitted to the Definition Procedure or the Assessment Procedure pursuant to paragraph (b):
 - (i) the composition or identity and terms of reference of the Modification Group in accordance with the provisions of paragraph 2.4;
 - (ii) subject to paragraphs 2.2.8 and 2.2.9, the priority to be accorded to the Modification Proposal (as compared with other Pending Modification Proposals) and the timetable to apply for completion of the relevant procedure; and

- (d) where the Modification Proposal is to proceed directly to the Report Phase pursuant to paragraph (b):
 - (i) whether the draft Modification Report shall contain a recommendation of the Panel to make the Proposed Modification; and
 - (ii) the proposed Implementation Date for implementation, subject to the consent of the Authority, of the Proposed Modification (whether or not the Panel recommends the making of such Proposed Modification).
- 2.2.4 For the avoidance of doubt, it is expected that the Panel would usually proceed directly to the Report Phase pursuant to paragraph 2.2.3(b)(iii) where the Modification Proposal is of a minor or inconsequential nature and/or where the recommendation which the Panel should make to the Authority in relation to such Modification Proposal would generally be considered to be self-evident.
- 2.2.5 If the Panel considers that there is insufficient information available to it to enable it to take a decision referred to in paragraph 2.2.3 in respect of a particular Modification Proposal, the Panel may in exceptional circumstances and having regard always to the requirements of paragraph 1.2.2 defer consideration of the relevant issue until the next succeeding Panel meeting provided that, in so doing, the Panel shall prescribe the steps which need to be taken (by the Modification Secretary, BSCCo or otherwise) to enable the Panel to decide the matter at such subsequent meeting (including completion, where necessary, of an initial assessment by BSCCo pursuant to paragraph 2.1.8).
- 2.2.6 If the Panel determines that a Modification Proposal is to be submitted to the Definition Procedure or the Assessment Procedure pursuant to paragraph 2.2.3, the Modification Secretary shall send a notice to that effect to each of the persons listed in paragraph 2.1.10(a) and shall invite them to provide comments to the Modification Group in respect of such Modification Proposal.
- 2.2.7 At each Panel meeting, the Panel shall consider in turn and vote (if appropriate) on any Modification Business which is outstanding at that time (including any new Modification Proposals, the report of any Modification Group and any draft Modification Reports).
- 2.2.8 In setting the timetable referred to in paragraph 2.2.3(c)(ii), the Panel shall exercise its discretion such that, in respect of each Modification Proposal, a Modification Report may be submitted to the Authority as soon after the Modification Proposal is made as is consistent with the proper definition and/or assessment and evaluation of such Modification Proposal, taking due account of its complexity, importance and urgency.
- 2.2.9 Without prejudice to paragraph 2.2.8, the Panel shall set the timetable referred to in paragraph 2.2.3(c)(ii) such that:
- (a) in respect of a Definition Procedure, it is no longer than 2 months; and
 - (b) in respect of an Assessment Procedure, it is no longer than 3 months
- unless the particular circumstances of the Modification Proposal (taking due account of its complexity, importance and urgency) justify an extension of such timetable (and provided that the Authority has not issued a contrary direction in accordance with paragraph 1.4.3 in respect thereof).

2.2.10 Having regard to the complexity, importance and urgency of particular Modification Proposals, the Panel may determine the priority of Modification Proposals and may (subject to paragraph 1.4.3) adjust the relevant modification timetable for each Modification Proposal accordingly.

2.2.11 The Panel may decide at any time to stop a Definition Procedure and/or an Assessment Procedure and proceed, in either case, directly to the Report Phase.

2.3 Amalgamation

2.3.1 Subject to paragraph 1.4.3, the Panel may decide at any time to amalgamate a Modification Proposal with one or more other Modification Proposals where the subject-matter of such Modification Proposals is sufficiently proximate to justify amalgamation on the grounds of efficiency and/or where such Modification Proposals are logically dependent on each other.

2.3.2 Where Modification Proposals are amalgamated pursuant to paragraph 2.3.1:

- (a) such Modification Proposals shall be treated as a single Modification Proposal;
- (b) references in this Section F to a Modification Proposal shall include and apply to a group of two or more Modification Proposals so amalgamated;
- (c) the Proposers of each such Modification Proposal shall co-operate in deciding which of them is to provide a representative for any Modification Group in respect of the amalgamated Modification Proposal and, in default of agreement, the Panel shall nominate one or more of the Proposers as it sees fit for that purpose; and
- (d) the Panel shall establish such arrangements as it considers appropriate for the evaluation of the amalgamated Modification Proposals.

2.4 Establishment of Modification Groups

2.4.1 A Modification Group may be a group established in order to carry out a Definition Procedure pursuant to paragraph 2.5 or a group established in order to carry out an Assessment Procedure pursuant to paragraph 2.6.

2.4.2 Where the Panel decides to submit a Modification Proposal to the Definition Procedure or the Assessment Procedure, the Panel shall establish a Modification Group (or designate an existing Modification Group) to carry out such Procedure in accordance with the provisions of this paragraph 2.4.

2.4.3 A single Modification Group may be responsible for the definition and/or assessment of more than one Modification Proposal at the same time; and the Panel may establish one or more Modification Groups on a standing basis to carry out definition and assessment of Modification Proposals (which may from time to time be submitted) whose subject-matter falls into a particular area or areas.

2.4.4 A Modification Group shall comprise at least 5 members selected by the Panel for their relevant experience and/or expertise in the areas forming the subject-matter of the Modification Proposal(s) to be considered by such Modification Group, and in the case of a standing Modification Group, forming the subject matter of the issues determined by the Panel under the terms of reference for that standing Modification Group (and the Panel shall ensure, as far as possible, that an appropriate cross-section of experience, interests and expertise is represented on such Modification Group).

- 2.4.5 In addition to the members appointed by the Panel pursuant to paragraph 2.4.4:
- (a) the Proposer shall be entitled to appoint one member of the Modification Group which is to consider the Proposer's Modification Proposal (and who, in the case of a standing Modification Group, shall be a member for the purposes of that Modification Proposal only);
 - (b) the Transmission Company shall be entitled to appoint one member of any Modification Group (unless the Transmission Company is the Proposer, in which case paragraph (a) applies); and
 - (c) unless the Panel otherwise determines, the Panel shall appoint at least one additional member of each Modification Group who shall be an employee of BSCCo, and BSCCo shall make appropriately qualified BSCCo staff available for this purpose.
- 2.4.6 Prior to establishing the composition of a Modification Group:
- (a) each proposed member of the Modification Group shall be required to confirm to the Panel that he will be available as required throughout the relevant Definition Procedure or Assessment Procedure (or, in the case of a standing Modification Group, during such period as the Panel may specify) to attend Modification Group meetings and to carry out work to be undertaken outside those meetings as necessary;
 - (b) where the proposed member is employed, he shall provide to the Modification Secretary a letter from his employer agreeing that he may act as a member of a Modification Group, and that the requirements of paragraph 2.4.9 shall prevail over his duties as an employee.
- 2.4.7 The Panel shall appoint one of the members of a Modification Group to act as chairman of the Modification Group, and the Panel may change the chairman of a Modification Group from time to time as it sees fit.
- 2.4.8 A Modification Group shall not be a Panel Committee for the purposes of Section B5.
- 2.4.9 A member of a Modification Group shall act impartially and shall not be representative of a particular person or class of persons (and, accordingly, no member shall agree to follow or be bound by the instructions of any person or body, other than the Panel pursuant to this Section F, in the exercise of his functions as a member of a Modification Group).
- 2.4.10 The Panel may add further members to a Modification Group at any time.
- 2.4.11 The Panel may (but shall not be obliged to) replace any member of a Modification Group appointed pursuant to paragraph 2.4.4 at any time if, in the Panel's opinion, such member is unwilling or unable for whatever reason to fulfil that function and/or is deliberately and persistently disrupting or frustrating the work of the Modification Group.
- 2.4.12 The Panel shall determine the terms of reference of each Modification Group (which in the case of a standing Modification Group may include standing terms of reference as well as specific terms of reference for any particular Modification Proposal) and may change those terms of reference from time to time as it sees fit.
- 2.4.13 The terms of reference of a Modification Group shall include provision in respect of (among other things) the following matters:

- (a) those areas of a Modification Group's powers or activities which require the prior approval of the Panel;
- (b) the seeking of instructions, clarification or guidance from the Panel;
- (c) in the case of a standing Modification Group, the area(s) of subject-matter of Modification Proposals for which the Group may be designated under paragraph 2.4.3; and
- (d) in the case of a standing Modification Group, authorise the Group from time to time to consider (outwith the context of any particular submitted Modification Proposal) issues generally related to the relevant area(s) of subject-matter, where in the Panel's opinion to do so will facilitate the Group's evaluation of relevant Modification Proposals which may from time to time be submitted designated to the Group by the Panel under 2.4.13(c).

2.4.14 Each Modification Group (and each member of a Modification Group) shall:

- (a) act in accordance with its terms of reference as determined (and, if applicable, changed) pursuant to paragraph 2.4.12;
- (b) have due regard to the objectives referred to in paragraph 1.2.2 (as if references to the Panel were references to the Modification Group); and
- (c) if a Modification Group is unable to reach agreement on any matter, the report of the Modification Group shall instead include a summary of the views of the members of the Modification Group.

2.4.15 In addition to any staff made available to act as members of a Modification Group pursuant to paragraph 2.4.5, BSCCo shall provide such staff, facilities and support to each Modification Group (including the engagement of external consultants and advisers) as such Modification Group may reasonably require to assist with the administration and operation of the business of such Modification Group provided that any material expenditure (as determined by the Panel in respect of a particular Modification Group) shall require the prior approval of the Panel (in consultation with BSCCo).

2.4.16 The Modification Secretary (or his deputy) shall act as secretary to each Modification Group meeting.

2.4.17 The Modification Secretary shall notify the Authority in advance of all Modification Group meetings and a representative of the Authority may attend and speak at any such meeting (provided that any observations such representative may make shall not be taken to bind the Authority in any way in relation to the Modification Proposal being discussed).

~~2.4.18 2.4.18 — Unless the Panel otherwise determines, meetings of each Modification Group shall be held in closed session, provided that the chairman of a Modification Group may invite any person to attend and speak at such meetings.~~

Subject to paragraph 2.4.19, any meeting of a Modification Group shall be open to attendance by a representative of any Party and any other person entitled to receive notice of Modification Proposals under paragraph 2.1.10; and any person so attending such a meeting may speak if invited to do so by the chairman of the meeting, but (if the Group's terms of reference provide for voting) shall not vote at the meeting.

2.4.19 Paragraph 2.4.18 shall not apply:

- (a) in the case of a meeting held by telephone conference; or
- (b) where it is impractical in the opinion of the chairman of the meeting to hold the meeting in open session;
- 2.4.2019 Subject to the provisions of this paragraph 2.4 and unless otherwise determined by the Panel, a Modification Group shall develop and adopt its own internal working procedures for the conduct of its business and shall provide a copy of such procedures to the Modification Secretary in respect of each Modification Proposal for which it is responsible.
- 2.4.219 The Modification Secretary shall ensure that details of the composition, terms of reference, timetable of meetings and internal working procedures of each Modification Group are published on the BSC Website.
- 2.4.22+ Without prejudice to paragraph 2.7.8, each report prepared by a Modification Group under this Section F shall be addressed and furnished to the Panel and none of the facts, opinions or statements contained in such report may be relied upon by any other person.
- 2.4.23 With a view to facilitating consideration, by persons and bodies entitled to do so, of whether to propose modifications of the Code and how to frame such proposals, the Panel may, in the terms of reference for a standing Modification Group, authorise the group to consider generally issues relating to the Code, its application or implementation, or any manner in which the Code might be modified, falling within the area(s) specified by the Panel in such terms of reference; and where the Panel has so authorised a standing Modification Group:
- (a) the group may consider any such issue put to it by any person or body entitled to propose a modification of the Code;
- (b) the chairman of the relevant meeting of the group shall decide in his absolute discretion whether to consider any such issue so put to the group;
- (c) the group shall keep its consideration of any such issue separate from the transaction of its business in relation to any Modification Proposal;
- (d) the group shall publish its views and deliberations on the issue in such manner as the Panel shall direct;
- provided that neither the views of the group nor anything done by it in relation to such an issue shall have any consequence or significance in relation to the Code or its implementation or operation or interpretation, and the Panel shall not be required or authorised to have regard thereto or act in any way in consequence thereof.

2.5 Definition Procedure

- 2.5.1 The provisions of this paragraph 2.5 shall apply if the Panel decides to submit a Modification Proposal to the Definition Procedure pursuant to paragraph 2.2.
- 2.5.2 The purpose of the Definition Procedure is to define the issues raised by a Modification Proposal in sufficient detail to enable the Panel to determine which of the options set out in paragraph 2.5.9 is the most appropriate in all the circumstances.

- 2.5.3 The Panel shall establish or designate a Modification Group and shall determine its terms of reference in accordance with the provisions of paragraph 2.4.
- 2.5.4 The Modification Group shall review the Modification Proposal for the purpose set out in paragraph 2.5.2 and shall prepare a written report for the Panel (in accordance with the timetable determined by the Panel pursuant to paragraph 2.2) which shall set out, in relation to the Modification Proposal, the following matters:
- (a) an assessment of the issues raised by the Modification Proposal with supporting information and data to explain the effect of such issues by reference to the Applicable BSC Objective(s) and a summary of such assessment;
 - (b) an analysis of and the views and rationale of the Modification Group as to whether (and, if so, to what extent) the issues raised by the Modification Proposal warrant further assessment and evaluation in accordance with paragraph 2.6;
 - (c) a detailed summary of the representations made by Parties and interested third parties during the consultation undertaken by the Modification Group (pursuant to paragraph 2.2.6 and, where applicable, paragraph 2.5.5(b)) and the comments and views of the Modification Group in respect thereof;
 - (d) a summary of any analysis prepared by the Transmission Company and the comments and views of the Modification Group in respect thereof;
 - (e) a summary of any analysis prepared by relevant BSC Agents and the comments and views of the Modification Group in respect thereof;
 - (f) a copy of the terms of reference and a summary of any report or analysis of external consultants or advisers; and
 - (g) such other matters as the Panel may require in the terms of reference of such Modification Group.
- 2.5.5 In preparing its report pursuant to paragraph 2.5.4, the Modification Group shall:
- (a) analyse the representations made in response to the consultation instigated by the Modification Secretary pursuant to paragraph 2.2.6;
 - (b) conduct such further consultation with Parties and interested third parties as may be required by its terms of reference or, subject to the Panel's prior approval, as it considers necessary;
 - (c) where appropriate (and subject to any requirement for Panel approval as set out in its terms of reference), request BSCCo to commission an analysis from BSC Agents and/or external consultants and/or advisers with relevant specialist knowledge;
 - (d) where such views have been obtained, consider the views expressed by those referred to in paragraphs (a) to (c) and by those referred to in paragraph 2.5.6(a) to (c).
- 2.5.6 In respect of each Definition Procedure, BSCCo shall (after appropriate consultation with the Modification Group):
- (a) commission an analysis from the Transmission Company in accordance with paragraph 2.8;

- (b) if requested by the Modification Group, commission an analysis from relevant BSC Agents;
 - (c) if requested by the Modification Group, commission an analysis from external consultants and/or advisers with relevant specialist knowledge.
- 2.5.7 Upon completion of the Modification Group's report prepared in accordance with paragraph 2.5.4, the Modification Secretary shall promptly:
- (a) copy the report to each of the persons referred to in paragraph 2.1.10(a);
 - (b) place such report on the agenda for the next following Panel meeting in accordance with Section B4.
- 2.5.8 The chairman or another member (nominated by the Chairman) of the Modification Group shall attend the next following Panel meeting and may be invited to present the findings of the Modification Group to the Panel and/or answer the questions of Panel Members in respect thereof; other members of the Modification Group may also attend such Panel meeting.
- 2.5.9 Following completion of the Modification Group's report pursuant to paragraph 2.5.7, the Panel shall consider the Modification Group's report at the next following Panel meeting and shall determine whether to:
- (a) refer the Modification Proposal back to the Modification Group for further analysis (in which case, the Panel shall determine the timetable and terms of reference to apply in relation to such further analysis);
 - (b) submit the Modification Proposal to the Assessment Procedure pursuant to paragraph 2.6; or
 - (c) proceed directly to the Report Phase pursuant to paragraph 2.7

and, in the case of paragraphs (a) or (b), the Panel may instruct the Panel Secretary to initiate a further process of consultation (in accordance with the terms of reference determined by the Panel).

2.6 Assessment Procedure

- 2.6.1 The provisions of this paragraph 2.6 shall apply if the Panel decides to submit a Modification Proposal to the Assessment Procedure pursuant to paragraph 2.2 or 2.5.9(b).
- 2.6.2 The purpose of the Assessment Procedure is to evaluate whether the Proposed Modification identified in a Modification Proposal better facilitates achievement of the Applicable BSC Objective(s) and whether any alternative modification would, as compared with the Proposed Modification, better facilitate achievement of the Applicable BSC Objective(s) in relation to the issue or defect identified in the Modification Proposal.
- 2.6.3 The Panel shall establish or designate a Modification Group and shall determine its terms of reference in accordance with the provisions of paragraph 2.4.
- 2.6.4 The Modification Group shall:
- (a) evaluate the Modification Proposal for the purpose set out in paragraph 2.6.2;
 - (b) where appropriate, develop an alternative proposed modification (the "**Alternative Modification**") which, as compared with the Proposed

Modification, would better facilitate achievement of the Applicable BSC Objective(s);and

- (c) prepare a report for the Panel (in accordance with the timetable determined by the Panel pursuant to paragraph 2.2 or 2.5.9(b)) which shall set out, in relation to the Proposed Modification and any Alternative Modification, the matters referred to in Annex F-1, to the extent applicable to the proposal in question.

2.6.5 In preparing its report pursuant to paragraph 2.6.4, the Modification Group shall:

- (a) analyse the comments made in response to the consultation instigated by the Modification Secretary pursuant to paragraph 2.2.6;
- (b) conduct such further consultation with Parties and interested third parties as may be required by its terms of reference or, subject to the Panel's prior approval, as it considers necessary;
- (c) where appropriate (and subject to any requirement for Panel approval as set out in its terms of reference), request BSCCo to commission an analysis from BSC Agents and/or external consultants and/or advisers with relevant specialist knowledge;
- (d) where such views have been obtained, consider the views expressed by those referred to in paragraphs (a) to (c) and by those referred to in paragraph 2.6.6(a) to (c).

2.6.6 In respect of each Assessment Procedure, BSCCo shall (after appropriate consultation with the Modification Group):

- (a) commission an analysis and impact assessment from the Transmission Company in accordance with paragraph 2.8;
- (b) if requested by the Modification Group, commission an impact assessment from relevant BSC Agents;
- (c) if requested by the Modification Group, commission an analysis from external consultants and/or advisers with relevant specialist knowledge;
- (d) if requested by the Modification Group, commission an analysis from relevant Core Industry Document Owners;
- (e) prepare a project brief for the implementation of the Proposed Modification and any Alternative Modification setting out the proposed steps, timetable and programme plan for such implementation consistent with the proposed Implementation Date in accordance with the Code, BSCP 40 and the IS Policies.

2.6.7 The preceding provisions of this paragraph 2.6 shall be subject to the provisions of paragraphs 2.6.8 and 2.6.10 and the requirements of the report to be prepared by the Modification Group pursuant to paragraph 2.6.4 in respect of a particular Modification Proposal shall be amended in consequence of any directions issued by the Panel under paragraphs 2.6.8 or 2.6.10.

2.6.8 Prior to the taking of any steps in an Assessment Procedure which would result in the incurring of significant costs (as determined by the Panel in each case in the relevant terms of reference) for BSCCo, the Modification Group shall seek the views of the Panel as to

whether to proceed with such steps and, in giving its views, the Panel may consult with the Authority in respect thereof.

2.6.9 For the purposes of paragraph 2.6.8, the steps include:

- (a) the commissioning of detailed impact assessments;
- (b) the commissioning of legal text to modify the Code in order to give effect to a Proposed Modification and/or an Alternative Modification.

2.6.10 At any stage during an Assessment Procedure:

- (a) the Panel may request the Modification Group to prepare an interim report setting out its provisional findings in respect of the matters referred to in paragraph 2.6.4 (or such of those matters as it has been able by then to evaluate); and
- (b) the Panel may seek the views of the Authority as to whether the findings of such report are consistent with the Authority's provisional thinking in respect thereof; and
- (c) the Panel may issue such directions as it sees fit to the Modification Group in consequence of the Authority's views.

2.6.11 Upon completion of the Modification Group's report prepared in accordance with paragraph 2.6.4, the Modification Secretary shall promptly:

- (a) copy the report to each of the persons referred to in paragraph 2.1.10(a);
- (b) place such report on the agenda for the next following Panel meeting.

2.6.12 The chairman or another member (nominated by the Chairman) of the Modification Group shall attend the next following Panel meeting and may be invited to present the findings of the Modification Group to the Panel and/or answer the questions of Panel Members in respect thereof; other members of the Modification Group may also attend such Panel meeting.

2.6.13 The Panel shall consider the Modification Group's report at the next following Panel meeting and shall determine:

- (a) whether to:
 - (i) submit the Modification Proposal back to the Modification Group for further analysis (in which case, the Panel shall determine the timetable and terms of reference of such further analysis); or
 - (ii) proceed to the Report Phase in accordance with paragraph 2.7; and
- (b) where the Panel decides pursuant to paragraph (a)(ii) to proceed to the Report Phase:
 - (i) whether the Panel proposes to recommend (subject to paragraph 2.7.5) to the Authority that the Proposed Modification or any Alternative Modification should be made;
 - (ii) the reasons (if different from those contained in the report prepared by the Modification Group) why the Proposed Modification and any

Alternative Modification would or would not, in the Panel's opinion, better facilitate achievement of the Applicable BSC Objective(s); and

- (iii) the proposed Implementation Date to be included in the draft Modification Report (whether or not the Panel recommends that the Proposed Modification or any Alternative Modification should be made).

2.7 Report Phase

2.7.1 The provisions of this paragraph 2.7 shall apply where the Panel decides, pursuant to paragraphs 2.2.3(b)(iii), 2.2.11, 2.5.9(c) or 2.6.13(a)(ii), that a Modification Proposal should proceed to the Report Phase.

2.7.2 If:

- (a) in deciding that a Modification Proposal should proceed to the Report Phase, the Panel determines that it proposes to recommend to the Authority that the Proposed Modification or any Alternative Modification should be made; and
- (b) no proposed text to modify the Code in order to give effect to such Proposed Modification or Alternative Modification was commissioned during any Assessment Procedure,

the Modification Secretary shall forthwith commission the drafting of proposed text to modify the Code in order to give effect to such Proposed Modification or Alternative Modification and shall seek the views of the relevant Modification Group(s) on such text.

2.7.3 Where the Panel is proposing to recommend to the Authority that a Proposed Modification or Alternative Modification should not be made and no proposed text to modify the Code was commissioned during the Assessment Procedure, the Panel shall consult with the Authority as to whether the Authority would like the Modification Report to include such text and, if the Authority indicates that it would, the Modification Secretary shall forthwith commission the drafting of proposed text to modify the Code in order to give effect to such Proposed Modification or Alternative Modification and shall seek the views of the relevant Modification Group(s) on such text.

2.7.4 The Modification Secretary shall:

- (a) prepare a draft Modification Report which shall set out the matters referred to in paragraph 2.7.7 as soon as possible and, in any event, within 15 Business Days after the Panel decides that the Modification Proposal should proceed to the Report Phase;
- (b) copy such draft report to each of the persons listed in paragraph 2.1.10(a);
- (c) publish such draft report in such manner as may be appropriate to bring it to the attention of other persons who may be affected by such report;
- (d) invite representations on the draft report within such period as the Panel may determine (and, in any event, not more than 15 Business Days);
- (e) prepare a summary of the representations received during the consultation conducted pursuant to paragraph (d); and

- (f) put the draft report and the summary referred to in paragraph (e) on the agenda for the next following Panel meeting.
- 2.7.5 The Panel shall consider the draft Modification Report at the next following Panel meeting and, having taken due account of the representations contained in the summary referred to in paragraph 2.7.4(e), the Panel shall determine:
- (a) whether to recommend to the Authority that the Proposed Modification or any Alternative Modification should be made;
 - (b) whether to approve the draft Modification Report or to instruct the Modification Secretary to make such changes to the report as may be specified by the Panel;
 - (c) (if applicable) whether to approve the proposed text for modifying the Code in order to give effect to any Proposed Modification or Alternative Modification which it is recommending or to instruct the Modification Secretary to make such changes to the text as may be specified by the Panel;
 - (d) the proposed Implementation Date for implementation of the Proposed Modification or any Alternative Modification (whether or not the Panel recommends the making of such Proposed Modification or Alternative Modification).
- 2.7.6 Within 7 Business Days after the Panel meeting referred to in paragraph 2.7.4, the Modification Secretary shall finalise the Modification Report and shall forthwith:
- (a) submit such Modification Report to the Authority; and
 - (b) copy such Modification Report to:
 - (i) each Party;
 - (ii) each Panel Member.
- 2.7.6A If the Panel intends to instruct (under paragraph 2.7.5(b) changes to be made to the draft Modification Report, as a result of information obtained by BSSCo relating to matters (including those specified in paragraph 1(c) of Annex F-1) which were identified by BSSCo since the draft report was prepared, the Panel may with the approval of the Authority:
- (a) instruct the Modification Secretary to publish, and invite further representations (from the persons listed in paragraph 2.1.10(a)) on those changes; and
 - (b) defer to such date as the Authority may approve the submission of the Modification Report to the Authority, to allow such further consultation to take place.
- 2.7.7 The matters to be included in a Modification Report shall be the following (in respect of the Modification Proposal):
- (a) the recommendation of the Panel as to whether or not the Proposed Modification or any Alternative Modification should be made;
 - (b) the proposed Implementation Date for implementation of any Proposed Modification or Alternative Modification;
 - (c) the other items referred to in Annex F-1, based on the report prepared by the Modification Group (where the proposal was submitted to a Modification Group

prior to the Report Phase) except to the extent that the Panel has formed a different view as to any matters contained in such report,

together with a copy of the representations made by Parties and interested third parties during the consultation undertaken in respect of the Proposed Modification and any Alternative Modification.

- 2.7.8 Each Modification Report shall be addressed and furnished to the Authority and none of the facts, opinions or statements contained in such Modification Report may be relied upon by any other person.

2.8 Analysis of the Transmission Company

- 2.8.1 At the request of the Panel or BSCCo, the Transmission Company shall prepare an analysis of any Modification Proposal with:

- (a) an assessment of the impact of the Proposed Modification (and, if applicable, any Alternative Modification) on the ability of the Transmission Company to discharge its obligations efficiently under the Transmission Licence and on its ability to operate an efficient, economical and co-ordinated transmission system;
- (b) the views and rationale of the Transmission Company as to whether the Proposed Modification or any Alternative Modification would better facilitate achievement of the Applicable BSC Objective(s);
- (c) an assessment (where applicable) of:
 - (i) the impact of the Proposed Modification and any Alternative Modification on the computer systems and processes of the Transmission Company;
 - (ii) the changes required to such systems and processes in consequence of the Proposed Modification and any Alternative Modification;
 - (iii) an estimate of the development, capital and operating costs (broken down in reasonable detail) which the Transmission Company anticipates that it would incur in and as a result of implementing the Proposed Modification and any Alternative Modification and any consequential change to Core Industry Documents; and
- (d) such other matters as the Panel or BSCCo may reasonably request.

- 2.8.2 The Transmission Company shall provide such further explanation of any analysis prepared pursuant to paragraph 2.8.1 as the Panel may reasonably require and shall attend any meeting of the Panel or the Modification Group to answer questions or provide clarification in respect thereof.

- 2.8.3 Subject to the provision by the Transmission Company of any analysis requested pursuant to paragraph 2.8.1 and any further explanation or clarification requested pursuant to paragraph 2.8.2, the Transmission Company shall not be obliged by virtue of any provision of this Section F to disclose or provide access to any information or data relating to its business which is not otherwise generally available.

- 2.8.4 In formulating its views as to whether a Proposed Modification or any Alternative Modification would better facilitate achievement of the Applicable BSC Objective(s) (and,

in particular, those Applicable BSC Objective(s) which relate specifically to the Transmission Company), the Panel and any Modification Group shall have regard to the analysis provided by the Transmission Company under this paragraph 2.8 and to any other information or data which is generally available in relation to the Transmission Company or its business.

2.9 Urgent Code Modifications

2.9.1 If the Transmission Company and/or BSCCo recommend to the Panel Chairman that a proposal should be treated as an Urgent Modification Proposal in accordance with this paragraph 2.9, the Panel Chairman shall endeavour to obtain the views of the Panel as to the matters set out in paragraph 2.9.2.

2.9.2 The matters referred to in paragraph 2.9.1 are:

- (a) whether such proposal should be treated as an Urgent Modification Proposal in accordance with this paragraph 2.9; and
- (b) if so, the procedure and timetable to be followed in respect of such Urgent Modification Proposal.

2.9.3 If, in accordance with and as set out in Section B4.6:

- (a) the Panel agrees that such proposal should be treated as an Urgent Modification Proposal; or
- (b) where the Panel Chairman was unable to contact sufficient Panel Members in accordance with Section B4.6, the Panel Chairman considers that such proposal should be treated as an Urgent Modification Proposal,

the Panel Chairman shall forthwith consult the Authority as to whether such Modification Proposal should be treated as an Urgent Modification Proposal and, if so, as to the procedure and timetable which should apply in respect thereof.

2.9.4 The Panel shall:

- (a) not treat any Modification Proposal as an Urgent Modification Proposal except with the prior consent of the Authority;
- (b) comply with the procedure and timetable in respect of any Urgent Modification Proposal approved by the Authority; and
- (c) comply with any instruction of the Authority issued in respect of any of the matters on which the Authority is consulted pursuant to paragraph 2.9.3.

2.9.5 For the purposes of this paragraph 2.9, the procedure and timetable in respect of an Urgent Modification Proposal may (with the approval of the Authority pursuant to paragraph 2.9.4) deviate from all or part of the Modification Procedures or follow any other procedure or timetable approved by the Authority.

2.9.6 The Modification Report in respect of an Urgent Modification Proposal shall include a statement as to why the Panel or the Panel Chairman (as they case may be) believe that such Modification Proposal should be treated as an Urgent Modification Proposal and the extent to which the procedure followed deviated from the Modification Procedures.

2.9.7 Where an Urgent Modification Proposal results in a modification being made in accordance with paragraph 1.1, the Panel may or (where it appears to the Panel that there is a

reasonable level of support for a review amongst Parties) shall, following such modification, submit the modification to review by a Modification Group on terms specified by the Panel in order to consider and report as to whether any alternative modification could, as compared with such modification, better facilitate achievement of the Applicable BSC Objective(s) in respect of the subject matter of such modification.

- 2.9.8 For the purposes of paragraph 2.9.7, the provisions of paragraph 2.4 shall apply mutatis mutandis to the establishment and conduct of a Modification Group charged with undertaking a review pursuant to paragraph 2.9.7.
- 2.9.9 The Modification Secretary shall copy the report prepared by the Modification Group pursuant to paragraph 2.9.7 to each of the persons referred to in paragraph 2.1.10(a).
- 2.9.10 Each Party, each Panel Member, BSCCo and the Modification Secretary shall take all reasonable steps to ensure that an Urgent Modification Proposal is considered, evaluated and (subject to the approval of the Authority) implemented as soon as reasonably practicable, having regard to the urgency of the matter and, for the avoidance of doubt, an Urgent Modification Proposal may (subject to the Approval of the Authority) result in a Code Modification being made on the day on which such proposal is submitted.

2.10 Confidentiality

- 2.10.1 Any representations submitted by a person pursuant to the Modification Procedures shall be made publicly available save as otherwise expressly requested by such person by notice in writing to BSCCo.
- 2.10.2 The Panel and BSCCo shall not be liable for any accidental publication of a representation which is the subject of a request made under paragraph 2.10.1.
- 2.10.3 For the avoidance of doubt, all representations (whether or not marked confidential) shall be sent to the Authority.
- 2.10.4 Where any provision of this paragraph 2 provides for data, information or reports to be published or made available to Parties and/or other persons, the Panel shall exclude therefrom any matters in respect of which the Authority issues a notice to the Modification Secretary for the purposes of this paragraph 2.10.4.

2.11 Implementation

- 2.11.1 BSCCo shall be responsible for implementing the Approved Modification in accordance with the project brief prepared pursuant to paragraph 2.6.6(d) in relation to that Modification.
- 2.11.2 The Panel shall make such modifications to Code Subsidiary Documents (in accordance with the provisions of paragraph 3) and/or adopt such new Code Subsidiary Documents as may be necessary to give full and timely effect to an Approved Modification by the Implementation Date.
- 2.11.3 BSCCo shall take appropriate steps to secure such amendments to the BSC Agent Contracts as may be necessary to give full and timely effect to an Approved Modification by the Implementation Date.
- 2.11.4 BSCCo shall take appropriate steps to procure changes to BSC Systems and processes in order to give full and timely effect to an Approved Modification by the Implementation Date.

2.11.5 BSCCo shall promptly provide a report to the Panel where:

- (a) it appears, in BSCCo's reasonable opinion, that problems may arise, or have arisen, in the implementation of an Approved Modification in accordance with the project brief prepared pursuant to paragraph 2.6.6(e); and/or
- (b) BSCCo has reason to believe that the changes necessary to BSC Systems and processes will not have been completed by the Implementation Date; and/or
- (c) BSCCo becomes aware of any circumstances which might otherwise prevent or delay the full and timely implementation of the Approved Modification.

2.11.6 In relation to Approved Modifications:

- (a) each Party shall use its reasonable endeavours to implement changes made to Core Industry Documents in order to give full and timely effect to a Code Modification by the Implementation Date; and
- (b) the Transmission Company shall make such changes to those of its systems which support the operation of the Code as may be necessary in order to give effect to a Code Modification by the Implementation Date.

2.11.7 Without prejudice to the obligations of the Panel and BSCCo under this Section F, the Implementation Date may be extended or brought forward with the prior approval of, or at the direction of, the Authority.

~~2.11.8~~ ~~2.11.8~~ The Panel shall apply to the Authority for an extension to the Implementation Date if it becomes aware of any circumstance which is likely to cause a delay in the implementation of an Approved Modification.

~~2.11.9~~ The Panel may, after consultation with the persons listed in paragraph 2.1.10(a), apply to the Authority (providing copies of the representations made in such consultation) to bring forward the Implementation Date if the Panel is reasonably satisfied that an Approved Modification is capable of being implemented sooner than the current Implementation date and is of the opinion that its implementation should be so brought forward.

2.12 Balancing and settlement arrangements in Scotland

2.12.1 This paragraph 2.12 applies if:

- (a) any licence granted under the Act authorising the transmission of electricity in an area in Scotland includes a condition pursuant to which there are or are to be arrangements equivalent to the Code applying in Scotland or part of it; and
- (b) such arrangements have been approved by the Authority pursuant to the Transmission Licence for the purposes of this paragraph 2.12.

2.12.2 For the purposes of this paragraph 2.12, any document containing arrangements of the type described in paragraph 2.12.1 shall be referred to as the "**Scottish BSC**".

2.12.3 The purpose of this paragraph 2.12 is to ensure that:

- (a) the Code and any Scottish BSC remain aligned as far as possible and appropriate, taking account of relevant differences in the arrangements and circumstances applying in England and Wales and those applying in Scotland; and

- (b) cost efficiencies can be realised through the joint or co-ordinated administration and operation of modification procedures,

and, to these ends, to secure that:

- (c) modifications proposed to the Code shall, insofar as applicable thereto, be proposed in respect of the Scottish BSC and vice versa; and
- (d) such modifications shall be considered, evaluated and (subject to the consent of the Authority in each case) implemented in a co-ordinated fashion.

2.12.4 The Panel shall:

- (a) co-operate and liaise with the panel (or its equivalent) under the Scottish BSC (the "**Scottish Panel**") in the operation and administration of the modification procedures under the Code and the Scottish BSC respectively;
- (b) seek to establish a joint committee with the Scottish Panel (to be known as the "joint liaison committee") which shall meet on a regular basis as necessary and, in any event, at least once a quarter to discuss the application of the arrangements for co-ordination of modifications in respect of the Code and the Scottish BSC and to consider any common modification business;
- (c) seek to establish joint working practices with the Scottish Panel to ensure as far as possible that:
 - (i) the procedures and processes adopted by each of them in the conduct of modification business are reasonably similar and consistent;
 - (ii) modification proposals affecting both the Code and the Scottish BSC are considered and progressed in a timely, efficient and co-ordinated manner;
 - (iii) information, facilities and resources may be shared (subject to agreement on appropriate funding arrangements) to the mutual benefit of Parties and parties under the Scottish BSC.

2.12.5 The Modification Secretary shall copy each Modification Proposal promptly to the modification secretary (or his equivalent) of the Scottish BSC.

2.12.6 Where the Modification Secretary or the Panel is notified or made aware of a proposal to modify the Scottish BSC, the Panel shall, insofar as such proposal is applicable to the Code, make a proposal to modify the Code in accordance with the provisions of paragraph 2.1.

2.12.7 Where a Modification Proposal made under the Code is subsequently proposed under the Scottish BSC or the Panel makes a Modification Proposal under the Code pursuant to paragraph 2.12.6, the Panel shall liaise with the Scottish Panel to discuss and agree appropriate arrangements for the co-ordination of each proposal with a view to ensuring that:

- (a) the modification report in respect of each such proposal is submitted to the Authority on the same day; and
- (b) if both proposals are approved by the Authority, each modification is, wherever possible and unless the Authority directs otherwise, made and takes effect on the same day,

provided that, in the event of any delay in the submission of a modification report and/or the implementation of a modification under either the Code or the Scottish BSC, the submission of a modification report or the implementation of a modification under the other code shall not be delayed for that reason, unless the Authority agrees or directs otherwise.

- 2.12.8 If and to the extent appropriate in all the circumstances, the arrangements referred to in paragraph 2.12.7 may include (among other things):
- (a) the establishment of a joint Modification Group;
 - (b) the appointment of the same members to any Modification Group established under the Code and any equivalent group established under the Scottish BSC;
 - (c) the establishment of a common timetable for consideration, development and evaluation of the relevant proposals; and/or
 - (d) the engagement of joint external consultants or advisers.