

## **MODIFICATION REPORT for Modification Proposal P208 'Housekeeping Modification'**

**Prepared by: ELEXON<sup>1</sup> on behalf of the BSC Panel**

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This document has been distributed in accordance with Section F2.1.10 of the Balancing and Settlement Code.<sup>2</sup>

Proposed Modification P208 seeks to make 63 non-material 'housekeeping' changes to the Balancing and Settlement Code – comprising the correction of a number of manifest/typographical errors and minor inconsistencies, and other minor inconsequential changes. P208 has been raised by the BSC Panel in accordance with paragraph F2.1.1(d)(iv) of the Code, and was progressed directly to the Report Phase.

### **BSC PANEL'S RECOMMENDATIONS**

Having considered and taken into due account the contents of the P208 draft Modification Report, the BSC Panel recommends:

- **that Proposed Modification P208 should be made;**
- **an Implementation Date for Proposed Modification P208 of 22 February 2007 if an Authority decision is received on or before 8 February 2007, or 10 Working Days after an Authority decision if received after 8 February 2007; and**
- **the proposed text for modifying the Code, as set out in the Modification Report.**

<sup>1</sup> ELEXON Ltd fulfils the role of the Balancing and Settlement Code Company ('BSCCo').

<sup>2</sup> The current version of the Code can be found at <http://www.elexon.co.uk/bscrelateddocs/BSC/default.aspx>

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## SUMMARY OF IMPACTED PARTIES AND DOCUMENTS

As far as BSCCo has been able to assess, the following parties/documents would be impacted by P208.

Please note that this table represents a summary of the full impact assessment results contained in Appendix 4.

Parties	Sections of the BSC	Code Subsidiary Documents
Distribution System Operators <input type="checkbox"/>	A <input checked="" type="checkbox"/>	BSC Procedures <input type="checkbox"/>
Generators <input type="checkbox"/>	B <input checked="" type="checkbox"/>	Codes of Practice <input type="checkbox"/>
Interconnectors <input type="checkbox"/>	C <input checked="" type="checkbox"/>	BSC Service Descriptions <input type="checkbox"/>
Licence Exemptable Generators <input type="checkbox"/>	D <input checked="" type="checkbox"/>	Party Service Lines <input type="checkbox"/>
Non-Physical Traders <input type="checkbox"/>	E <input type="checkbox"/>	Data Catalogues <input type="checkbox"/>
Suppliers <input type="checkbox"/>	F <input checked="" type="checkbox"/>	Communication Requirements Documents <input type="checkbox"/>
Transmission Company <input type="checkbox"/>	G <input checked="" type="checkbox"/>	Reporting Catalogue <input type="checkbox"/>
<b>Party Agents</b>	H <input checked="" type="checkbox"/>	<b>Core Industry Documents</b>
Data Aggregators <input type="checkbox"/>	I <input checked="" type="checkbox"/>	Ancillary Services Agreement <input type="checkbox"/>
Data Collectors <input type="checkbox"/>	J <input checked="" type="checkbox"/>	British Grid Systems Agreement <input type="checkbox"/>
Meter Administrators <input type="checkbox"/>	K <input checked="" type="checkbox"/>	Data Transfer Services Agreement <input type="checkbox"/>
Meter Operator Agents <input type="checkbox"/>	L <input checked="" type="checkbox"/>	Distribution Codes <input type="checkbox"/>
ECVNA <input type="checkbox"/>	M <input checked="" type="checkbox"/>	Distribution Connection Agreements <input type="checkbox"/>
MVRNA <input type="checkbox"/>	N <input type="checkbox"/>	Distribution Use of System Agreements <input type="checkbox"/>
<b>BSC Agents</b>	O <input type="checkbox"/>	Grid Code <input type="checkbox"/>
SAA <input type="checkbox"/>	P <input checked="" type="checkbox"/>	Master Registration Agreement <input type="checkbox"/>
FAA <input type="checkbox"/>	Q <input checked="" type="checkbox"/>	Supplemental Agreements <input type="checkbox"/>
BMRA <input type="checkbox"/>	R <input checked="" type="checkbox"/>	Use of Interconnector Agreement <input type="checkbox"/>
ECVAA <input type="checkbox"/>	S <input checked="" type="checkbox"/>	<b>BSCCo</b>
CDCA <input type="checkbox"/>	T <input checked="" type="checkbox"/>	Internal Working Procedures <input type="checkbox"/>
TAA <input type="checkbox"/>	U <input checked="" type="checkbox"/>	<b>BSC Panel/Panel Committees</b>
CRA <input type="checkbox"/>	V <input checked="" type="checkbox"/>	Working Practices <input type="checkbox"/>
SVAA <input type="checkbox"/>	W <input checked="" type="checkbox"/>	<b>Other</b>
Teleswitch Agent <input type="checkbox"/>	X <input checked="" type="checkbox"/>	Market Index Data Provider <input type="checkbox"/>
BSC Auditor <input type="checkbox"/>		Market Index Definition Statement <input type="checkbox"/>
Profile Administrator <input type="checkbox"/>		System Operator-Transmission Owner Code <input type="checkbox"/>
Certification Agent <input type="checkbox"/>		Transmission Licence <input type="checkbox"/>
<b>Other Agents</b>		
Supplier Meter Registration Agent <input type="checkbox"/>		
Unmetered Supplies Operator <input type="checkbox"/>		
Data Transfer Service Provider <input type="checkbox"/>		

## 1 DESCRIPTION OF MODIFICATION

For a full description of the original Modification Proposal as raised by the BSC Panel ('the Panel'), and the background to the proposal, please refer to the P208 Initial Written Assessment (IWA).

### 1.1 Proposed Modification

P208 was raised by the BSC Panel at its meeting held on 9 November 2006, following its agreement with the recommendation of BSCCo at that meeting that a Modification Proposal be raised. Paragraph F2.1.1(d)(iv) of the Balancing and Settlement Code ('the Code') allows the Panel to raise a Modification Proposal on the recommendation of BSCCo to rectify manifest errors, to correct minor inconsistencies and/or to make other minor consequential changes to the Code. Such Modification Proposals are often referred to as 'housekeeping' modifications. The Panel agreed with the view of BSCCo that the proposed changes were of a minor and inconsequential nature, and that its recommendation to the Authority would therefore generally be considered to be self-evident. It therefore agreed that P208 should be progressed directly to the Report Phase in accordance with paragraph F2.2.4 of the Code.

P208 identifies 63 required 'housekeeping' changes to the Code, which include:

- Manifest errors: corrections to minor inconsistencies within the Code (such as incorrect or irrelevant wording and use of incorrect terminology), which could otherwise risk incorrect interpretation of the Code;
- Amended references: corrections to erroneous cross-references within the Code;
- Code-defined terms: corrections to the usage of Code-defined terms;
- Redundant clauses: removal of clauses which are now out of date and which will not affect any further disputes;
- Typographical errors; and
- Minor inconsistencies.

The full legal text to deliver the changes is provided as Attachment 1A to this report, whilst a more detailed description of the changes is provided as Attachment 1B.

## 2 IMPLEMENTATION APPROACH AND COSTS

### P208 IMPLEMENTATION COSTS<sup>3</sup>

		Stand Alone Cost	Incremental Cost	Tolerance
Total Demand Led Implementation Cost		Nil	Nil	N/A
ELEXON Implementation Resource Cost		5 man days £840	5 man days £840	+/- 5%
Total Implementation Cost		£840	£840	+/- 5%

### P208 ONGOING SUPPORT AND MAINTENANCE COSTS

	Stand Alone Cost	Incremental Cost	Tolerance
Service Provider Operation Cost	Nil	Nil	N/A
Service Provider Maintenance Cost	Nil	Nil	N/A
ELEXON Operational Cost	Nil	Nil	N/A

Following a BSCCo Impact Assessment an extra man day of implementation effort has been identified over the implementation costs published in the IWA. This extra implementation effort is required to review and update the BSC Obligations register to take account of the removal of redundant clauses of the Code.

#### a) BSC Agent Impact

P208 has no impact on any BSC Agents.

#### b) BSC Party and Party Agent Impact

P208 has no impact on BSC Parties or Party Agents, since the changes are non-material and do not alter the obligations set out in the Code.

#### c) Transmission Company Impact

P208 has no impact on the Transmission Company.

<sup>3</sup> An explanation of the cost terms used in this section can be found on the BSC Website at the following link:  
[http://www.elexon.co.uk/documents/Change\\_and\\_Implementation/Modifications\\_Process\\_-\\_Related\\_Documents/Clarification\\_of\\_Costs\\_in\\_Modification\\_Procedure\\_Reports.pdf](http://www.elexon.co.uk/documents/Change_and_Implementation/Modifications_Process_-_Related_Documents/Clarification_of_Costs_in_Modification_Procedure_Reports.pdf)

#### d) BSCCo Impact

P208 would be a Code-only change, and the majority of the estimated implementation costs comprise the effort required to amend the Code. As part of the BSCCo Impact Assessment a further impact was identified. The BSC Obligations register may need to be updated by BSCCo to take account of the removal of redundant clauses of the Code. This adds one man day of effort on to the total implementation costs.

### 3 RATIONALE FOR PANEL'S RECOMMENDATIONS TO THE AUTHORITY

#### 3.1 Panel's Consideration of IWA

The Panel considered the P208 IWA at its meeting on 9 November 2006. This section summarises the Panel's discussions in formulating its provisional recommendation for inclusion in the draft Modification Report. Details of the Report Phase consultation responses, the Panel's discussion of the responses and its final recommendation to the Authority can be found in Sections 3.2, 3.2 and 3.4 respectively.

##### 3.1.2 Applicable BSC Objectives

Consistent with previous housekeeping modifications, BSCCo recommended that the changes outlined in P208 are self-evident and that P208 would therefore better facilitate the achievement of **Applicable BSC Objective (d)** 'promoting efficiency in the implementation and administration of the balancing and settlement arrangements', by improving the clarity of the Code, removing redundant clauses and reducing any potential for misunderstanding by Parties.

The Panel agreed that the proposed housekeeping changes appeared to be self-evident, and therefore agreed a unanimous provisional recommendation to the Authority that the Proposed Modification should be made.

##### 3.1.3 Implementation Date

The Panel provisionally agreed with the IWA's recommendation regarding the following Implementation Dates for P208:

- 22 February 2007 if an Authority decision is received on or before 8 February 2007; or
- 10 Working Days after an Authority decision if received after 8 February 2007.

##### 3.1.4 Legal Text

The Panel reviewed the draft text and provisionally agreed that it addresses the defect identified by the Modification Proposal.

As part of the Report Phase Consultation a respondent identified that a change to Ref.56 of Attachment 1B would provide more clarity. The proposed amendment altered the term 'by law' to 'by-law'. Following further analysis by ELEXON's Legal department it was agreed that the proposed amendment should be made and page 26 of Attachment 1A has been updated to reflect this change.

A further BSCCo internal review has also highlighted a second update to the Legal text. Ref.60 on page 31 of the legal text reads:

Bid Offer Pairs per BM Unit (prices and MW volumes)	As received	Tabular and graphic for D 1 and D. Otherwise tabular	None
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In the current baseline of the Code 'Bid Offer' and 'D 1' are hyphenated (i.e. 'Bid-Offer' and 'D-1'). The original P208 legal text did not include the hyphens. The legal text has been amended to correctly reflect the current baseline of the Code. The legal text now reads:

Bid-Offer Pairs per BM Unit (prices and MW volumes)	As received	Tabular and graphic for D-1 and D. Otherwise tabular	None
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### 3.2 Results of Report Phase Consultation

Seven responses (representing 37 Parties and 1 non-Party) were received to the P208 Report Phase consultation.

A summary of the consultation responses is provided in the table below (bracketed numbers represent the number of Parties and non-Parties represented by respondents).

Q	Consultation question	Yes	No
1.	Do you agree with the Panel's provisional recommendation to the Authority contained in the draft Modification Report that the Proposed Modification should be made?	7 (37 Parties + 1 non-Party)	0
2.	Do you agree with the Panel's view that the legal text provided in the draft Modification Report addresses the defect identified by the Modification Proposal?	7 (37 Parties + 1 non-Party)	0
3.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P208?	7 (37 Parties + 1 non-Party)	0

The Report Phase consultation responses contained the following arguments in respect of P208:

One respondent agreed with the Panel's provisional recommendation that the modification should be made subject to further clarification on two points in the legal text. Firstly, the respondent suggested, with regards to Ref.34, that additional clarity to the terms 'administrator' and 'winding-up order' would be provided if a relevant legislation Act were referenced. BSCCo contacted the respondent to clarify that details of the legislation Act were no longer provided as there is no longer a single act under which an administrator or a winding up order is effected. The respondent accepted BSCCo's advice on this matter.

Secondly, with regards to Ref.56, the respondent suggested that additional clarification would be provided if the legal text term 'by law' contained a hyphen and instead read 'by-law'. BSCCo agreed with the respondent's suggestion and has amended the legal text to read 'by-law'. The respondent therefore agreed with the Panel's provisional recommendation that the legal text addresses the defect identified by P208.

Full copies of the consultation responses can be found in Appendix 4.

### 3.3 Panel's Consideration of Draft Modification Report

#### 3.3.1 Report Phase Consultation Responses

The Panel noted the unanimous support for P208 from the consultations responses. The Panel noted the clarifications requested by one respondent and agreed with the amendments to the legal text proposed by BSCCo.

#### 3.3.2 Applicable BSC Objectives

The Panel's views did not change regarding which Applicable BSC Objectives P208 better facilitates. The Panel agreed with BSCCo's recommendation that P208 better facilitates Applicable BSC Objective (d) 'promoting efficiency in the implementation and administration of the balancing and settlement arrangements'. The Panel also noted that all previous housekeeping modifications had been assessed as better facilitating Applicable BSC Objective (d).

#### 3.3.3 Implementation Date

The Panel had no further comments regarding the proposed Implementation Date of P208.

#### 3.3.4 Legal Text

The Panel noted the two amendments made to the P208 legal text following the Report Phase Consultation, as outlined in Section 3.1.4. The Panel agreed with BSCCo that the two proposed amendments should be included in the P208 legal text.

### 3.4 Panel's Final Recommendation to the Authority

On the basis of the above discussions, the Panel therefore agreed a **UNANIMOUS** recommendation to the Authority that:

- The Proposed Modification **SHOULD** be made.

The Panel agreed the following recommended implementation approach for P208:

- An Implementation Date for the Proposed Modification of 22 February 2007 if an Authority decision is received on or before 8 February 2007; or
- 10 Working Days after an Authority decision if received after 8 February 2007.

The Panel agreed the legal text for modifying the Code in respect of the Proposed Modification, as provided in Appendix 1, Attachment 1A.

## 4 TERMS USED IN THIS DOCUMENT

Other acronyms and defined terms take the meanings defined in Section X of the Code.

Acronym/Term	Definition
'Housekeeping' modification	A Modification Proposal raised by the Panel on the recommendation of BSCCo in accordance with paragraph F2.1.1(d)(iv) of the Code, in order to correct minor errors and inconsistencies in the Code.



## 5 DOCUMENT CONTROL

### 5.1 Authorities

Version	Date	Author	Reviewer	Reason for Review
0.1	14/11/06	Andrew Wright	David Jones	For peer review
0.2	15/11/06	Andrew Wright	Kathryn Coffin	For technical review
0.3	15/11/06	Andrew Wright	BSC Parties and other interested parties	For consultation
0.4	04/12/06	Andrew Wright	David Jones, Kathryn Coffin	For technical review
0.5	07/12/06	Andrew Wright	Martin Thompson	For quality review
0.6	08/12/06	Change Delivery	BSC Panel	For Panel decision
1.0	19/12/06	BSC Panel	Ofgem	For Authority decision

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## APPENDIX 1: LEGAL TEXT

Legal text for the Proposed Modification is attached as a separate document, Attachment 1A. A more detailed description of each of the proposed changes is attached as a separate document, Attachment 1B.

## APPENDIX 2: PROCESS FOLLOWED

Copies of all documents referred to in the table below can be found on the BSC Website at:

<http://www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationDocumentation/modProposalView.aspx?propID=228>

Date	Event
09/11/06	Modification Proposal raised by BSC Panel
09/11/06	IWA presented to the Panel
15/11/06	Draft Modification Report issued for industry consultation
22/11/06	Report Phase consultation responses returned
14/12/06	Draft Modification Report presented to the Panel
19/12/06	Final Modification Report issued to the Authority for decision

## ESTIMATED COSTS OF PROGRESSING MODIFICATION PROPOSAL<sup>4</sup>

Meeting Cost	Nil
Legal/Expert Cost	Nil
Impact Assessment Cost	Nil
ELEXON Resource	5 man days £840

These costs are unchanged from the IWA.

## APPENDIX 3: RESULTS OF IMPACT ASSESSMENT

During the Report Phase an impact assessment was undertaken by BSCCo in respect of all BSC Systems, processes, documentation and parties. The following have been identified as impacted by P208.

For details of the costs associated with these impacts, please refer to Section 2.

### a) Impact on BSC Systems and Processes

No impact.

<sup>4</sup> Clarification of the meanings of the cost terms in this appendix can be found on the BSC Website at the following link:  
[http://www.elexon.co.uk/documents/Change\\_and\\_Implementation/Modifications\\_Process\\_-\\_Related\\_Documents/Clarification\\_of\\_Costs\\_in\\_Modification\\_Procedure\\_Reports.pdf](http://www.elexon.co.uk/documents/Change_and_Implementation/Modifications_Process_-_Related_Documents/Clarification_of_Costs_in_Modification_Procedure_Reports.pdf)

**b) Impact on BSC Agent Contractual Arrangements**

No impact.

**c) Impact on BSC Parties and Party Agents**

No impact.

**d) Impact on Transmission Company**

No impact.

**e) Impact on BSCCo**

Area of Business	Impact of Proposed Modification
Code administration/configuration	Minor impact to make the required 'housekeeping' changes to the text of the Code following approval of P208.
BSC Obligation administration	Minor impact to assess impact of P208 on BSC Obligations register and remove any redundant obligations.

**f) Impact on Code**

Correction of 'housekeeping' errors and other minor inconsequential changes. See full legal text in Attachment 1A and the explanation of the changes in Attachment 1B for further details.

**g) Impact on Code Subsidiary Documents**

No impact.

**h) Impact on Core Industry Documents/System Operator-Transmission Owner Code**

No impact.

**i) Impact on Other Configurable Items**

No impact.

**j) Impact on BSCCo Memorandum and Articles of Association**

No impact.

**k) Impact on Governance and Regulatory Framework**

No impact.

**APPENDIX 4: REPORT PHASE CONSULTATION RESPONSES**

Full copies of the Consultation responses are contained in a separate document, Attachment 2.