

November 2002

**DRAFT MODIFICATION REPORT  
MODIFICATION PROPOSAL P101 –  
'BSC HOUSEKEEPING  
MODIFICATION'**

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

<b>Document Reference</b>	P101RR
<b>Version no.</b>	0.3
<b>Issue</b>	Draft
<b>Date of Issue</b>	8 November 2002
<b>Reason for Issue</b>	For Panel Decision
<b>Author</b>	ELEXON

## I DOCUMENT CONTROL

### a Authorities

Version	Date	Author	Signature	Change Reference
0.1	30/10/02	ELEXON		ELEXON Review
0.2	31/10/02	ELEXON		For Consultation
0.3	14/11/02	ELEXON		For Panel Decision
1.0	14/11/02	ELEXON		For Authority Determination

### b Distribution

Name	Organisation
Each BSC Party	Various
Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
energywatch	energywatch
Core Industry Document Owners	Various

### c References

Ref.	Document	Owner	Issue Date	Version
1	BSC Panel Paper 50/016	ELEXON	12 September 2002	FINAL
2	P101 Initial Assessment	ELEXON	11 October 2002	1.0

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## 1 SUMMARY AND RECOMMENDATIONS

### 1.1 Recommendations

On the basis of the analysis, consultation and assessment undertaken in respect of Modification Proposal P101 (P101) and the resultant findings of this report, the Balancing and Settlement Code Panel (the Panel) recommends that:

**Proposed Modification P101 should be made with an Implementation Date of 15 Working Days after the Authority decision.**

### 1.2 Background

A number of minor inconsistencies, typographical errors and one point of clarification have been identified within the BSC. Proposed Modification 101 represents a consolidation of the various 'housekeeping' changes required to rectify these defects. The specific changes are detailed in Section 5 of this report.

Modification Proposal P101 'BSC Housekeeping Modification' (P101) was raised on 16 September 2002 by the Panel on the recommendation of ELEXON. The Initial Written Assessment was submitted to the Panel on 17 October 2002 who agreed with the ELEXON recommendation that it should proceed directly to the Report Phase as the changes are of a minor and inconsequential nature. After consultation with interested parties, the Panel considered this Modification Report at its meeting on 14 November 2002 and determined to make the recommendations set out above.

### 1.3 Rationale for Recommendations

This modification seeks to address a number of minor inconsistencies, typographical errors and one point of clarification that have been identified within the BSC. If unremedied, these errors, inconsistencies and lack of clarity can lead to misunderstandings and confusion, which could potentially impact a Party's understanding of the operation of the Code. Addressing these defects periodically, via a consolidated housekeeping modification, is a more robust and efficient way of administering arrangements than addressing each individually when identified or awaiting individual disputes and issues to arise. Clearly it is also in all parties' general interests that the BSC is as accurate and internally consistent as possible.

The Panel therefore believes that this modification would better facilitate the achievement of the Applicable BSC Objectives contained in Condition 7A of the Transmission Licence. In particular, the modification is justified with reference to the objective in Condition 7A(3)(d) (*promoting efficiency in the implementation and administration of the balancing and settlement arrangements*). The proposal has no impact on any of the other objectives, as set out in Condition 7A(3)(a) to (c).

The suggested changes have no systems impact. The effect of the changes is to increase efficiency in the administration of BSC processes and, accordingly, they have been raised under BSC C3.8.8 with a view to increasing efficiency and, again, better achieving the objective in Condition 7A(3)(d).

## 2 INTRODUCTION

This Report has been prepared by ELEXON Ltd., on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('BSC'). The BSC is the legal document containing the rules of the balancing mechanism and imbalance settlement process

and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the BSC.

This Modification Report is addressed and furnished to the Gas and Electricity Markets Authority ('the Authority') and none of the facts, opinions or statements contained herein may be relied upon by any other person.

An electronic copy of this document can be found on the BSC website, at [www.elexon.co.uk](http://www.elexon.co.uk)

### **3 HISTORY OF PROPOSED MODIFICATION**

P101 was raised on 16 September 2002 by the Panel on the recommendation of ELEXON under the provisions set out in section F2.1.1(d)(i) and (iv) of the Code. These provisions give the Panel the power to raise Modification Proposals where to do so would better facilitate achievement of the objective of 'efficiency in the implementation and administration of the balancing and settlement arrangements' or would have the purpose 'to rectify manifest errors in or to correct minor inconsistencies (or make other minor consequential changes) to the Code.'

At its meeting on 17 October 2002 the BSC Panel directed that P101 should proceed directly to the Report Phase pursuant to BSC F2.7. This decision was made in view of the guidance provided in BSC F2.2.4, which states:

*'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.'*

Accordingly, a draft Modification Report was prepared and issued for consultation on 31 October 2002. A summary of the responses received can be found in section 6 and copies of all responses found in Annex 1 of this report.

#### 4 DESCRIPTION OF PROPOSED MODIFICATION

The following table below describes the various housekeeping changes that have been consolidated to form this Proposed Modification.

Ref.	Identified by	Section(s)/ Area(s) Affected	Type of Change	Requirement
1.	ELEXON	X Annex-2	Typographical Error	Erroneous Repetition of 'a payment'.
2.	ELEXON	X Annex-2	Typographical Error	The definition of 'Account Energy Imbalance Cashflow' in Section X-2 is incorrect and has got the sign convention reversed. This should be changed such that a negative value is a payment to the Party.
3.	ELEXON	M3.1.1 (a)	Typographical Error	The equation has too many brackets and should be:  $CCP_{pj} = (EL_{pj} / ECC_p) * 100$ and not $CCP_{pj} = \{ EL_{pj} / (ECC_p) \} * 100$
4.	ELEXON	B1.1.2c B2.3 B2.3.1 F2.1.1b F2.1.10 X Annex-1	Name update	All NECC references to be changed to energywatch.
5.	ELEXON	X Annex-1	Missing Definition	Add 'Low Grade Service': has the meaning given to that term in Section V2.3.
6.	ELEXON	P 5.3.1(b)(ii)	Incorrect Definition	'Downtime' should be in lowercase. This will make the use of the term consistent with other Sections and CSDs.
7.	npower	K3.5.6	Erroneous Numbering	In K3.5.6 it refers to 3.4.2(a)(ii) but there is no (ii) in that paragraph. The (ii) should be removed.
8.	ELEXON	Q6.1.2 and Q6.4.2	Clarification	There are several references to the use of 'Friday' throughout the Section. The problem arises when the Friday is a Bank Holiday and therefore information is not provided on the Friday as indicated in the Code. A change is required to refer to 'the last Business Day of the week' to allow for Bank Holidays.

Ref.	Identified by	Section(s)/ Area(s) Affected	Type of Change	Requirement
9.	ELEXON	P6.1.1 and P6.5.3	Typographical Error	P6.1.1. (d)(iv) – The 'and' needs moving to P6.1.1(d)(v).  P6.5.3 (c) – remove '; and' at the end of paragraph and replace it with a full stop.
10.	ELEXON	T1.3.6	Inconsistency	Inconsistency between Annex S-2 and Section T. Section T1.3.6 is incorrect. It is BMUADV that is passed from SVAA to SAA. SAA then uses this to calculate BM Unit Metered Volumes for Supplier BM Units, in accordance with the formula in T4.2.1.
11.	ELEXON	C3.1.4	Paragraph Numbering	Paragraph 3.14 should be numbered 3.1.4.
12.	ELEXON	M3.4.2	Cross References	M3.4.2 cross-references back to paragraphs 3.2.6(b)(ii) and 3.3.1(b)(ii) but both of these paragraphs do not have any subparagraphs so (ii)s should be removed.

## **5 ASSESSMENT**

As the various changes described in this report are contained to BSC drafting revisions and are of a relatively minor or inconsequential nature, it has not been necessary to undertake a detailed assessment of the impact of making the changes on central and parties' systems and processes.

All of the changes are to correct minor errors and inconsistencies or to add clarification in the BSC. These changes have no impact on the systems or processes of ELEXON, BSC Agents, Parties or Party Agents.

The following issues were identified when drafting the legal text:

- P101 Table Ref 5 – Missing definition of 'Low Grade Service' within Section V. Following discussion with ELEXON's Legal Department, it has been agreed that this definition should be included in Section X Annex-1 rather than Section V. This will make it consistent with the definition of 'High Grade Service' already contained within Section X Annex-1.
- P101 Table Ref 9 - The 'and' at the end of P6.1.1. (d)(iv) needs moving to Q6.1.1(d)(v). The location for moving the 'and' is incorrect. It should be moved to P6.1.1(d)(v).

The table in Section 4 above has been revised to reflect these changes.

## **6 SUMMARY OF REPRESENTATIONS**

5 Responses (13 Parties) were received to the consultation on the draft Modification Report. All Respondents expressed support for the Proposed Modification.

1 Respondent (1 Party) identified an inconsistency between the legal text and Reference 2 of the table of proposed changes in Section 4 of this report i.e. the legal text is correct, the information within the table incorrect. ELEXON's Legal Department has confirmed that the Respondent's view is correct. The table in Section 4 has been revised to reflect this change.

There were no costs associated with the implementation of P101, identified by respondents to consultation.

## **7 LEGAL TEXT TO GIVE EFFECT TO THE PROPOSED MODIFICATION**

The legal text for P101 can be found as Attachment 1 of this Report.



## ANNEX 1 – REPRESENTATIONS

The draft Modification Report was sent out for consultation on 31 October 2002 with responses due back on 7 November 2002. The table below gives a list of Respondents and the actual responses received are attached below.

No	Company	File Number	No. Parties Represented
1.	SEEBOARD	P101_DR_001	1
2.	Scottish Power	P101_DR_002	5
3.	Scottish and Southern	P101_DR_003	4
4.	YEDL/NEDL	P101_DR_004	2
5.	British Gas Trading	P101_DR_005	1

### P101\_DR\_001 – SEEBOARD

With respect to draft modification report for P101 (Housekeeping Modification), dated 31st October 2002. We have one issue with this report in section 4. This is with regard to requirement noted in table under reference 2, as this does not tie up with legal text change denoted on attachment to this draft report. We believe that legal text changes are correct and that a change should be made to section 4 of draft report. Apart from that we have no issues with this modification and support recommendation with section 1.1 of draft report and implementation date noted therein.

Dave Morton  
SEEBOARD Energy Limited

### P101\_DR\_002 – Scottish Power

#### **P101 Draft Modification Report Comments**

With reference to the above, we would offer our support to the Panel's recommendation that P101: Housekeeping Modification should be made.

We are however disappointed that the draft Report and legal drafting did not clearly point out where some of these changes were occurring e.g. change Ref. 1 does not indicate exactly where the erroneous repetition occurs, as we believe that redlined changes should be shown.

I trust that you will find these comments helpful. Nonetheless, should you require further clarification of any of the above, please do not hesitate to contact me.

Yours sincerely,

Man Kwong Liu  
Calanais Ltd.

For and on behalf of: - *Scottish Power Plc; ScottishPower Energy Trading Ltd.; Scottish Power Generation Plc.; ScottishPower Energy Retail Ltd.; SP Transmission Plc*

**P101\_DR\_003 – Scottish and Southern**

This response is sent on behalf of Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd. and SSE Energy Supply Ltd.

Further to your note of 1st November 2002, and the associated Modification Report for P101, we agree with the proposed BSC Panel recommendation to the Authority that this Modification Proposal P101 should be made.

If the Modification Proposal P101 is approved, we agree with the proposed BSC Panel recommendation on the timing for the Implementation Date, as outlined in Section 1.1 of the Modification Report.

Regards

Garth Graham  
Scottish & Southern Energy plc

**P101\_DR\_004 – YEDL/NEDL**

Here is the response from YEDL and NEDL

I have no objections to the changes.

Since the changes are housekeeping and dealing with inconsistencies that have been around for sometime I would suggest implementation should be least cost. i.e can the implementation be aligned with the implementation of other changes.

Thanks

Sue Calvert

**P101\_DR\_005 – British Gas Trading**

Re: Modification Proposal P101 – BSC ‘Housekeeping Modification’

Thank you for the opportunity of responding to this draft modification report considering Modification Proposal P101. British Gas Trading (BGT) support the Modification Proposal and are satisfied that the necessary amendments have been captured in the draft Legal Text.

Yours faithfully,

Mark Manley  
Contract Manager