

7. FAILING SUPPLIER PROCESS

7.1 Transfer of responsibility

7.1.1 For the purposes of the Code:

(a) **"Supplier of Last Resort"** means, in relation to a BM Unit comprising or including premises of one or more Customers, the Trading Party to which a last resort direction is issued by the Authority in respect of those premises;

(b) **"last resort direction"** has the meaning given to that term in each Supply Licence;

(c) **"Transferee"** means;

(i) in relation to a BM Unit, the Trading Party identified as the transferee for that BM Unit in a notice which is given and takes effect pursuant to and in accordance with paragraph 7.2; or

(ii) in relation to a Party registration identity, the Trading Party identified as the transferee for that registration identity in a notice which is given and takes effect pursuant to and in accordance with paragraph 7.7;

(d) the **"Affected BM Units"** are:

(i) in relation to a Supplier of Last Resort, the BM Unit(s) comprising or including premises in respect of which the last resort direction is made and, where applicable, any related BM Units referred to in paragraph 7.3.3;

(ii) in relation to a Transferee, the BM Unit(s) specified in the notice given pursuant to paragraph 7.2 in respect of that Transferee and, where applicable, any related BM Units referred to in paragraph 7.3.3;

and, in each case, an **"Affected BM Unit"** shall be a particular one of them.

(e) **"Replacement Supplier"** means, in relation to an Affected BM Unit or (as the case may be) a Party registration identity:

(i) the Supplier of Last Resort; or

(ii) the Transferee,

as the case may be;

(f) **"failing Supplier"** means:

(i) in relation to a Supplier of Last Resort, the other supplier (as defined in the Supply Licence of the Supplier of Last Resort); and

(ii) in relation to a Transferee, the Lead Party giving (and entitled to give) the notice referred to in paragraph 7.2.1 or 7.7 (as the case may be);

(g) the **"Appointment Day"** means:

- (i) in relation to a Supplier of Last Resort (and, where applicable, an Affected BM Unit), the day when the relevant last resort direction takes effect pursuant to the Supply Licence of the Supplier of Last Resort;
 - (ii) in relation to a Transferee (and, where applicable, an Affected BM Unit), the day next following the day on which the relevant notice referred to in paragraph 7.2 or 7.7 (as the case may be) is received by BSCCo; and
- (h) references to the 'appointment' of a Replacement Supplier are:
- (i) in the case of a Supplier of Last Resort, to the issue of a last resort direction to the relevant Trading Party;
 - (ii) in the case of a Transferee, to the giving of a notice to BSCCo pursuant to paragraph 7.2 or 7.7 (as the case may be) identifying the relevant Trading Party as the transferee,

and derivative terms shall be construed accordingly.

7.1.2 The provisions of this paragraph 7 apply on the appointment of a Replacement Supplier for the purposes of recognising and giving effect, under the Code, to the transfer of responsibility for Exports and Imports of Plant and Apparatus comprised in Affected BM Unit(s) from the failing Supplier to the Replacement Supplier.

7.1.3 Without prejudice to Section N6.10, where a Replacement Supplier is appointed, then in respect of each Affected BM Unit:

- (a) such Replacement Supplier shall be treated for the purposes of the Code (notwithstanding any other provision of this Section K but subject to the further provisions of this paragraph 7) as becoming:
 - (i) responsible for Exports and Imports of the Plant and Apparatus comprised in that BM Unit;
 - (ii) the Registrant in respect of all Metering Systems associated with that BM Unit (and, for the purposes only of the Code, as having appointed and registered the Party Agents of the failing Supplier in respect of such Metering Systems, and otherwise as having complied with any conditions to the appointment or registration thereof, in accordance with the provisions of the Code); and
 - (iii) subject to the obligations and liabilities and entitled to the rights and benefits (including in respect of Trading Charges and BSCCo Charges) related to or connected with those Metering Systems and Exports and Imports of that Plant and Apparatus; and
- (b) the relevant failing Supplier shall be treated for the purposes of the Code (notwithstanding any other provision of this Section K but subject to the further provisions of this paragraph 7) as ceasing to be:
 - (i) responsible for Exports and Imports of the Plant and Apparatus comprised in that BM Unit;
 - (ii) the Registrant in respect of all Metering Systems comprised in that BM Unit; and

- (iii) subject to the obligations and liabilities and entitled to the rights and benefits (including in respect of Trading Charges and BSCCo Charges) related to or connected with those Metering Systems and Exports and Imports of that Plant and Apparatus,

in each case, with effect from the time and date when the transfer of responsibility resulting from such appointment is deemed to take effect in accordance with paragraph 7.1.4 and in respect of each Settlement Period on and after such time, and the provisions of the Code shall be construed accordingly.

7.1.4 The transfer of responsibility resulting from the appointment of a Replacement Supplier shall be deemed to take effect, for the purposes of the Code:

- (a) in the case of a Supplier of Last Resort, from 00.00 hours on the Appointment Day;
- (b) in the case of a Transferee, [notified under paragraph 7.2](#), from the time and date specified in the relevant notice given pursuant to paragraph 7.2.1 and in accordance with the further provisions of paragraph ~~7.2~~[7.2](#);

[\(c\) in the case of a Transferee notified under paragraph 7.7, from the time and date specified in the relevant notice given pursuant to paragraph 7.7\[1\] and in accordance with the further provisions of paragraph 7.7,](#)

(such time and date being referred to in the Code as the "**Replacement Supplier Transfer Date**").

7.1.5 The transfer of responsibility in respect of Exports and Imports of Plant and Apparatus comprised in Affected BM Units from the failing Supplier to the Replacement Supplier pursuant to this paragraph 7.1 shall be without prejudice to and shall not affect:

- (a) the rights and liabilities of the failing Supplier under the Code relating to or connected with such BM Units (or Metering Systems associated with such BM Units), including in respect of Trading Charges (including Reconciliation Charges and Ad-hoc Trading Charges) and BSCCo Charges, accrued or accruing in respect of the period prior to the Replacement Supplier Transfer Date;
- (b) the rights and liabilities of the failing Supplier under the Code relating to or connected with any other BM Units or Metering Systems for which the failing Supplier is responsible, including in respect of Trading Charges (including Reconciliation Charges and Ad-hoc Trading Charges) and BSCCo Charges, accrued or accruing in respect of the period on, before or after the Replacement Supplier Transfer Date.

7.1.6 For the avoidance of doubt, nothing in this paragraph 7 shall affect:

- (a) any Energy Contract Volume Notifications for which the failing Supplier is a Contract Trading Party;
- (b) any Metered Volume Reallocation Notifications for which the failing Supplier is the Subsidiary Party,

whether submitted or submitted in respect of a period on, before or after the Replacement Supplier Transfer Date, and any such Energy Contract Volume Notifications or Metered Volume Reallocation Notifications validly submitted in accordance with Section P shall

apply and be taken into account in Settlement, subject to and in accordance with the other provisions of the Code, for the purposes of determining any liability or entitlement of the failing Supplier in respect of Trading Charges.

- 7.1.7 The provisions of paragraph 7.1.3 are without prejudice to the obligations of the Replacement Supplier and the failing Supplier contained in paragraph 7.6.
- 7.1.8 The provisions of this paragraph 7.1 shall apply for the purposes of Settlement under the Code notwithstanding any other provisions in any Core Industry Document.
- 7.1.9 Where a last resort direction is issued to a Trading Party, such Trading Party shall forthwith send a copy of the last resort direction to BSCCo, and BSCCo shall send a copy thereof to each other Party.
- 7.1.10 Until and unless each Supply Licence requires the holder of that Supply Licence to comply with a direction of the Authority to supply electricity to customers of the holder of another Supply Licence upon revocation of that other Supply Licence:
- (a) references in this paragraph 7 to a Supplier of Last Resort shall be to the Trading Party which has consented, at the request of the Authority, to supply electricity to customers at premises upon revocation of the Supply Licence of another Trading Party which was supplying such customers immediately prior to revocation; and
 - (b) in relation to the Supplier of Last Resort, references in this paragraph 7:
 - (i) to the Affected BM Unit(s) are to the BM Unit(s) comprising or including the premises in respect of which such Trading Party so consents to supply electricity and, where applicable, any related BM Units referred to in paragraph 7.3.3;
 - (ii) to the Appointment Day are to the day when such Trading Party commences that supply of electricity (under a contract made or deemed, by virtue of schedule 6A of the Act, to have been made with the relevant customer(s)); and
 - (iii) to the failing Supplier are to the Trading Party which was responsible for the supply of electricity in respect of such premises immediately prior to such day and whose Supply Licence is revoked.

7.2 Trade Sales

7.2.1 Where, in relation to a Lead Party:

- (a) one or more of the events referred to in Section H3.1.1(g)(iii), (iv), (v) or (vi) occurs; or
- (b) BSCCo determines that one or more of the events referred to in Section H3.1.1(g)(i) or (ii) has occurred,

such Lead Party may give notice to BSCCo that it intends to transfer to another Trading Party its interests in respect of the provision of electrical power to Customers and/or the receipt of electrical power from Generating Plant (such transfer being referred to as the "**relevant transfer**").

7.2.2 A notice given pursuant to paragraph 7.2.1 shall:

- (a) be in writing;
- (b) identify:
 - (i) subject to paragraph 7.2.3, the BM Unit(s) of the Lead Party in respect of which the relevant transfer is to take place;
 - (ii) the transferee, being the Trading Party to which the relevant transfer is to be made;
 - (iii) subject to paragraph 7.2.4, the date with effect from which the relevant transfer is to be made;
 - (iv) subject to paragraph 7.2.5, the time with effect from which the relevant transfer is to be made; and
- (c) be signed by or on behalf of both the Lead Party issuing such notice and the Trading Party identified in such notice as the transferee.

7.2.3 A relevant transfer:

- (a) may relate to Plant and Apparatus (of the relevant Customer(s) and/or generator(s), as the case may be) associated with one or more BM Units but may not relate to part only of the Plant and Apparatus associated with a BM Unit;
- (b) may not include BM Units comprising only Generating Plant (except where the Generating Plant is owned or operated by a SVA Generator) or associated only with an Interconnector.

7.2.4 For the purposes of the Code, the date with effect from which a relevant transfer is to take effect:

- (a) may not be earlier than the date of a Settlement Day to be determined at the time by BSCCo such that the transfer of responsibility pursuant to this paragraph 7 can be taken into account for the purposes of the Initial Settlement Run to be carried out for that Settlement Day;
- (b) may not be later than the Appointment Day.

7.2.5 Unless otherwise agreed in advance by BSCCo, the time with effect from which a relevant transfer is to take effect, for the purposes of the Code, is 00.00 hours on the date with effect from which such relevant transfer is to take effect in accordance with paragraph 7.2.4.

7.2.6 Without prejudice to the provisions of paragraphs 7.2.3, 7.2.4 and 7.2.5 as they apply for the purposes of the Code, those provisions shall not affect or limit the terms and conditions upon which a relevant transfer is to be made as between the parties to the relevant transfer.

7.2.7 For the avoidance of doubt:

- (a) a notice may not be given pursuant to paragraph 7.2.1 (and any notice given shall not take effect) in respect of premises for which a Trading Party is appointed as the Supplier of Last Resort (in the same set of circumstances);

- (b) where a Lead Party intends to transfer its interests to more than one Trading Party, a separate notice shall be required under paragraph 7.2.1 for each relevant transfer.

7.2.8 BSCCo shall send a copy of any notice given pursuant to paragraph 7.2.1 to the Authority, each Party and the CRA.

7.3 Establishment of BM Units

7.3.1 The provisions of this paragraph 7.3 apply in relation to an Affected BM Unit where a Trading Party becomes, for the purposes of the Code, the Replacement Supplier in respect of that BM Unit.

7.3.2 Where this paragraph 7.3 applies, the CRA shall establish a BM Unit (a **Replacement Supplier BM Unit**) for which the Replacement Supplier is the Lead Party corresponding to each Affected BM Unit in respect of which the relevant Trading Party becomes the Replacement Supplier as soon as reasonably practicable after the appointment of such Replacement Supplier.

7.3.3 Where a Replacement Supplier is appointed in respect of an Affected BM Unit which is a Base BM Unit of the failing Supplier, such Replacement Supplier shall also assume responsibility for the Generating Plant comprised in any BM Unit of the failing Supplier in the same GSP Group which comprises only Generating Plant of a SVA Generator, unless responsibility for such Generating Plant is otherwise assumed at the time by another Replacement Supplier.

7.3.4 Unless the context otherwise requires, references to BM Units in the Code shall include Replacement Supplier BM Units.

7.3.5 The establishment of Replacement Supplier BM Unit(s) pursuant to paragraph 7.3.2 shall take effect on and from the Replacement Supplier Transfer Date.

7.3.6 Each Replacement Supplier BM Unit established pursuant to paragraph 7.3.2 shall be configured in the same way and have the same attributes as the Affected BM Unit of the failing Supplier to which it corresponds, including:

- (a) the Generation Capacity and the Demand Capacity;
- (b) the Credit Assessment Load Factor;
- (c) (where applicable) the CVA Metering Systems associated with that BM Unit;
- (d) (where applicable) the GSP Group in which that BM Unit is situated;
- (e) (where applicable) the status of that BM Unit as a Base BM Unit or an Additional BM Unit;
- (f) (where applicable) the SVA Metering Systems associated with that BM Unit;
- (g) the P/C Status;
- (h) (where applicable) the Aggregation Rules;
- (i) the Trading Unit to which that BM Unit belongs;
- (j) the Joint BM Unit Data (if any);

- (k) whether that BM Unit is considered a relevant BM Unit for the purposes of Section Q,

but without prejudice to the Replacement Supplier's rights and obligations to revise such configuration and attributes, or otherwise to the revision of such configuration and attributes, from time to time pursuant to any other provision of the Code.

7.3.7 Where a Replacement Supplier is appointed in respect of Plant or Apparatus which is subject to a Shared SVA Meter Arrangement, then notwithstanding any provisions to the contrary in paragraph 2.5:

- (a) references in this paragraph 7 to Metering Systems associated with a BM Unit shall include the Shared SVA Metering System;
- (b) the transfer of responsibility under this paragraph 7 shall apply in respect of Exports and Imports associated with the SVA Metering System Number of the failing Supplier;
- (c) the Allocation Schedule prevailing immediately prior to the Appointment Day shall continue to apply and to bind the Replacement Supplier and the other Supplier (not being the failing Supplier) to the Shared SVA Meter Arrangement;
- (d) the Replacement Supplier shall assume the status previously held by the failing Supplier as the Primary Supplier or the Secondary Supplier (as the case may be);
- (e) the provisions of paragraph 7.6.7 shall apply.

7.4 Effect of establishment of Replacement Supplier BM Units

7.4.1 The establishment of a Replacement Supplier BM Unit pursuant to paragraph 7.3 shall be treated, for the purposes of the Code, as if:

- (a) that new BM Unit had been registered (comprising the same Metering Systems as those comprised in the corresponding BM Unit of the failing Supplier) by the Replacement Supplier with effect from the Replacement Supplier Transfer Date; and
- (b) the registration of the corresponding BM Unit of the failing Supplier had been cancelled by the failing Supplier with effect from such date.

7.4.2 Without prejudice to the generality of paragraph 7.4.1 and subject to the further provisions of this paragraph 7, in respect of each Settlement Period on and after the Replacement Supplier Transfer Date:

- (a) the BM Unit Metered Volumes of the Affected BM Unit to which a Replacement Supplier BM Unit corresponds shall be allocated to the Replacement Supplier BM Unit; and
- (b) such BM Unit Metered Volumes shall not be allocated or treated as allocated to the Affected BM Unit to which such Replacement Supplier BM Unit corresponds,

for the purposes of Section T.

- 7.4.3 Notwithstanding paragraph 7.4.1, in respect of each Settlement Period during the period (if any) between the Replacement Supplier Transfer Date and the Appointment Day:
- (a) each MVRNA Authorisation of the failing Supplier relating to an Affected BM Unit, which is effective for such period in accordance with Section P, shall be treated as effective for that period in relation to the Replacement Supplier and the Replacement Supplier BM Unit to which the Affected BM Unit corresponds;
 - (b) each Metered Volume Reallocation Notification of the failing Supplier (as Lead Party) relating to an Affected BM Unit shall be treated as relating to the Replacement Supplier BM Unit to which it corresponds and to the Replacement Supplier (as Lead Party) instead, and shall be taken into account for the purposes of Settlement accordingly;
 - (c) each data item submitted by the failing Supplier or established by the Transmission Company under, and each action taken in pursuance of and as contemplated by Section Q, in relation to an Affected BM Unit shall be treated as applying to or taken in relation to the Replacement Supplier BM Unit to which the Affected BM Unit corresponds and (where applicable) submitted by the Replacement Supplier instead, and shall be taken into account for the purposes of Settlement accordingly,

provided that (for the avoidance of doubt) any Metered Volume Reallocation Notifications and any data item as referred to in paragraph (c) submitted or purportedly submitted by or on behalf of the failing Supplier (as Lead Party) relating to the Affected BM Units in respect of any period on or after the Appointment Day (whether submitted before, on or after the date when the registration of such Affected BM Units is treated as cancelled pursuant to paragraph 7.4.1) shall, by virtue of paragraph 7.4.1, be void and of no effect and shall not be applied to the Replacement Supplier BM Units to which they correspond.

7.4.4 The provisions of Section M3.4.5 shall apply.

7.4.5 Without prejudice to the obligations of the Replacement Supplier in paragraph 7.6, a Replacement Supplier shall not be considered to be in breach of any provision of the Code relating to Metering Systems (and/or Party Agents deemed to be appointed and registered by it pursuant to paragraph 7.1.3(a)(ii)) to the extent that, during the period between the Replacement Supplier Transfer Date and the relevant Replacement Supplier Registration Date, the Replacement Supplier is unable to comply or take steps to comply with such provision by reason (only) of the fact that it is not formally registered in CMRS or SMRS (as the case may be) as the Registrant of Metering System(s) for which it is deemed to be the Registrant by virtue of paragraph 7.1.3(a)(ii), including the provisions of:

- (a) Section J5; and
- (b) Section O3.2.

7.4.6 The Replacement Supplier shall not be entitled to:

- (a) allocate SVA Metering Systems comprised in a Replacement Supplier BM Unit to Additional BM Units, in accordance with Section S6, or otherwise change the allocation of a SVA Metering System to a Replacement Supplier BM Unit until the relevant Replacement Supplier Registration Date for that Metering System;

- (b) change the status (as a Base BM Unit or Additional BM Unit) of Replacement Supplier BM Units with which SVA Metering Systems are associated.

7.4.7 Without prejudice to paragraph 7.1.3, the failing Supplier shall remain registered in CMRS or SMRS (as the case may be) in respect of each Metering System associated with the Replacement Supplier BM Unit until the earlier of the relevant Replacement Supplier Registration Date and the date when another Trading Party becomes registered, for the purposes of and in accordance with the Code, in respect of such Metering System.

7.4.8 For the avoidance of doubt, the deemed appointment and registration of Party Agents pursuant to paragraph 7.1.3(a)(ii) applies for the purposes of the Code only and shall not create, affect or change any relationship between the failing Supplier or the Replacement Supplier and those (or any other) Party Agents.

7.5 Data

7.5.1 For the purposes of any provisions in the Code relating to the ownership and use of data (including Section L5), the rights of the failing Supplier in respect thereof, as they relate to the Affected BM Units for which a Trading Party becomes the Replacement Supplier, shall apply to the Replacement Supplier as if it were the actual Registrant of the relevant Metering Systems with effect from the Replacement Supplier Transfer Date, and:

- (a) any such rights shall automatically be assigned by the failing Supplier to the Replacement Supplier with effect from and in respect of the period on and after the Replacement Supplier Transfer Date; or
- (b) to the extent that it is not possible legally to assign such rights as provided in paragraph (a), the failing Supplier shall make such data available to the Replacement Supplier at all times on terms such that the Replacement Supplier is free to use such data as if the data had been so assigned to it.

7.5.2 The failing Supplier shall take all reasonable steps to co-operate with the Replacement Supplier to give effect to the transfer of responsibility contemplated by this paragraph 7 and to enable the Replacement Supplier to comply with its obligations hereunder.

7.5.3 Without prejudice to the generality of paragraph 7.5.2, the failing Supplier shall provide the Replacement Supplier with such records, data and information and otherwise take such steps as if, in relation to each Metering System associated with the Affected BM Units, a change of Registrant (from the failing Supplier to the Replacement Supplier) had occurred on the Replacement Supplier Transfer Date.

7.5.4 The failing Supplier shall have a right of access to any records, data and information referred to in this paragraph 7.5 to the extent required by the failing Supplier for the purposes of the Code in relation to any period prior to the Replacement Supplier Transfer Date.

7.6 Obligation to register Metering Systems

7.6.1 Subject to paragraph 7.6.6, each Replacement Supplier shall take such steps as may be necessary:

- (a) to effect, in accordance with the provisions of paragraph 2, the registration of Metering Systems (or, in the case of a Shared SVA Meter Arrangement, the Shared SVA Metering System with the relevant SVA Metering System

Number) treated, for the purposes of this paragraph 7, as associated with its Replacement Supplier BM Unit(s);

- (b) to effect the appointment and registration of Party Agents in relation to those Metering Systems; and
 - (c) otherwise to comply with the provisions of the Code, including Section J, Section L, Section R and Section S, relating to the registration of Metering Systems and Party Agents.
- 7.6.2 The Replacement Supplier shall take the steps referred to in paragraph 7.6.1 as soon as reasonably practicable after the Appointment Day and, in any event, within 3 months after the Appointment Day.
- 7.6.3 The failing Supplier shall take such steps as may be required under the Code in order to permit the Replacement Supplier to become registered as the Registrant in respect of the Metering Systems referred to in paragraph 7.6.1.
- 7.6.4 For the purposes of the Code, in respect of a Metering System associated with Plant or Apparatus comprised in an Affected BM Unit for which the Replacement Supplier becomes responsible pursuant to this paragraph 7, the date when the Replacement Supplier becomes registered in CMRS or SMRS (as the case may be) as the Registrant in respect of that Metering System shall be referred to as the **Replacement Supplier Registration Date**".
- 7.6.5 In the case of each SVA Metering System in a GSP Group comprised in a Replacement Supplier BM Unit, such Metering System shall with effect from the relevant Replacement Supplier Registration Date be associated with and comprised in the Base BM Unit of the Replacement Supplier (not being the Replacement Supplier BM Unit) for that GSP Group, subject to paragraph 7.6.6 and without prejudice to the rights of the Supplier under Section S6 from that date.
- 7.6.6 The obligation of the Replacement Supplier under paragraph 7.6.1 to become registered in respect of each Metering System associated with its Replacement Supplier BM Units is without prejudice and subject to the rights and obligations of another Trading Party under the Code to become registered in respect of any such Metering System, in accordance with the provisions of the Code and, where applicable, the MRA, if such other Trading Party becomes responsible for Exports and Imports associated with such Metering System prior to the relevant Replacement Supplier Registration Date, in which case such Metering System shall cease to be associated with such Replacement Supplier BM Unit with effect from the effective date of registration by such other Trading Party.
- 7.6.7 In relation to a Shared SVA Meter Arrangement, if the Replacement Supplier and the other Supplier (not being the failing Supplier) fail to reach agreement, prior to the deadline provided in paragraph 7.6.2, on the arrangements which are to apply as between themselves for the purposes of the Shared SVA Meter Arrangement, the provisions of paragraph 2.5.6 shall apply as if the Secondary Supplier had ceased to be the Secondary Supplier.

7.7 Transfer of Party ID

7.7.1 The provisions of this paragraph 7.7 apply to enable a failing Supplier to transfer its Party registration identity (allocated to it pursuant to Section A4) and associated rights and liabilities under the Code to a Transferee, where the failing Supplier has given notice pursuant to and in accordance with this paragraph 7.7.

7.7.2 In relation to a failing Supplier, references in this paragraph 7.7 to the transfer of its Party registration identity (and cognate expressions) shall be read as meaning that the Party registration identity of that failing Supplier shall, with effect from the relevant Replacement Supplier Transfer Date, cease to be associated with that failing Supplier and become associated with the relevant Transferee.

7.7.3 By virtue of the transfer of a failing Supplier's Party registration identity pursuant to this paragraph 7.7 and subject to the provisions of paragraph 7.7.15:

(a) the relevant Replacement Supplier shall be responsible for all (but not some only) of the rights and obligations of the failing Supplier under the Code with effect from the Replacement Supplier Transfer Date to the extent (only) that such rights and obligations:

(i) flow from the failing Supplier's Party registration and/or from the Energy Accounts held by the failing Supplier and identified by that Party registration (including entitlements and liabilities in respect of Trading Charges); and

(ii) are not discharged prior to such date;

provided that:

(b) for the purposes of Settlement, the relevant Replacement Supplier's entitlements and liabilities in respect of Trading Charges shall be determined as if it were two Trading Parties (one associated with its own Party registration identity and one associated with the Party registration identity previously associated with the failing Supplier); and

(c) subject to the foregoing, in respect of each BM Unit associated with that Party registration identity:

(i) the Replacement Supplier shall be treated for the purposes of the Code as becoming:

(1) responsible for Exports and Imports of the Plant and Apparatus comprised in that BM Unit;

(2) the Registrant in respect of all Metering Systems associated with that BM Unit (and, for the purposes only of the Code, as having appointed and registered the Party Agents of the failing Supplier in respect of such Metering Systems, and otherwise as having complied with any conditions to the appointment or registration thereof, in accordance with the provisions of the Code); and

(3) subject to the obligations and liabilities and entitled to the rights and benefits (including in respect of Trading Charges and BSCCo Charges) related to or connected with those Metering Systems and Exports and Imports of that Plant and Apparatus; and

(ii) the relevant failing Supplier shall be treated for the purposes of the Code as ceasing to be:

- (1) responsible for Exports and Imports of the Plant and Apparatus comprised in that BM Unit;
- (2) the Registrant in respect of all Metering Systems comprised in that BM Unit; and
- (3) subject to the obligations and liabilities and entitled to the rights and benefits (including in respect of Trading Charges and BSCCo Charges) related to or connected with those Metering Systems and Exports and Imports of that Plant and Apparatus,

in each case, with effect from the time and date when the transfer of responsibility resulting from such appointment is deemed to take effect in accordance with paragraph 7.7.10 and (unless otherwise approved by the Panel) in respect of each Settlement Period before, on and after such time, and the provisions of the Code shall be construed accordingly.

7.7.4 The provisions of paragraph 7.7.3 shall take effect notwithstanding Section A1.4.2 but without prejudice to the obligations of the Replacement Supplier pursuant to paragraph 7.7.15.

7.7.5 The right of a failing Supplier to transfer its Party registration identity under this paragraph 7.7 is subject to the prior consent of the Panel on a case by case basis, having regard (among other things) to the capability of BSC Agent Systems at the relevant time to give effect to such transfer.

7.7.6 Where, in relation to a Lead Party:

- (a) one or more of the events referred to in Section H3.1.1(g)(iii), (iv), (v) or (vi) occurs; or
- (b) BSCCo determines that one or more of the events referred to in Section H3.1.1(g)(i) or (ii) has occurred.

such Lead Party may give notice to BSCCo under this paragraph 7.7.6 that it intends to transfer to another Trading Party its Party registration identity (such transfer being referred to as the "**relevant ID transfer**").

7.7.7 A notice given pursuant to paragraph 7.7.6 shall:

- (a) be in writing;
- (b) identify:
 - (i) the Party registration identity of the Lead Party in respect of which the relevant ID transfer is to take place;
 - (ii) the transferee, being the Trading Party to which the relevant ID transfer is to be made;
 - (iii) subject to paragraph 7.7.8, the date with effect from which the relevant ID transfer is to be made;
 - (iv) subject to paragraph 7.7.9, the time with effect from which the relevant ID transfer is to be made; and

(v) subject to paragraph 7.7.10, the first Settlement Period with respect to which the relevant ID transfer is to be made; and

(c) be signed by or on behalf of both the Lead Party issuing such notice and the Trading Party identified in such notice as the transferee.

7.7.8 For the purposes of the Code, the date with effect from which a relevant ID transfer is to take effect may not be later than the Appointment Day.

7.7.9 Unless otherwise agreed in advance by BSCCo, the time with effect from which a relevant ID transfer is to take effect, for the purposes of the Code, is 00.00 hours on the date with effect from which such relevant ID transfer is to take effect in accordance with paragraph 7.7.8.

7.7.10 The first Settlement Period with respect to which a relevant ID transfer is to take effect, for the purposes of the Code, is the Settlement Period commencing at the start of the Go-live Date unless otherwise agreed in advance by the Panel but shall in any event be a Settlement Period commencing no later than the start of the Appointment Day.

7.7.11 Without prejudice to the provisions of paragraphs 7.7.8, 7.7.9 and 7.7.10 as they apply for the purposes of the Code, those provisions shall not affect or limit the terms and conditions upon which a relevant ID transfer is to be made as between the parties to the relevant ID transfer.

7.7.12 For the avoidance of doubt, a notice may not be given pursuant to paragraph 7.7.6 (and any notice given shall not take effect):

(a) in respect of premises for which a Trading Party is appointed as the Supplier of Last Resort (in the same set of circumstances); or

(b) where a notice has been given pursuant to paragraph 7.2.1 (in the same set of circumstances).

7.7.13 BSCCo shall send a copy of any notice given pursuant to paragraph 7.7.6 to the Authority, each Party and the CRA.

7.7.14 Where the Panel consents to the exercise by a failing Supplier of its right to transfer its Party registration identity, the Party registration identity of the failing Supplier shall be transferred to the relevant Replacement Supplier with effect from the relevant Replacement Supplier Transfer Date and in respect of Settlement Periods commencing with the first Settlement Period as notified under paragraph 7.7.7, whereupon the Replacement Supplier shall be liable for and entitled to Trading Charges associated with the failing Supplier's Party registration identity as provided in paragraph 7.7.3.

7.7.15 The provisions of:

(a) paragraphs 7.1 (other than paragraphs 7.1.1, 7.1.4 and 7.1.8), 7.2, 7.3 and 7.4 shall not apply to a transfer effected pursuant to this paragraph 7.7;

(b) paragraphs 7.5 and 7.6 shall apply to a transfer effected pursuant to this paragraph 7.7 save that:

(i) references to Affected BM Units and to Replacement Supplier BM Units in those paragraphs shall, for the purposes of transfers under this paragraph 7.7, be read as references to BM Units associated with the Party registration identity of the failing Supplier; and

(ii) references to the registration of Metering Systems by the Replacement Supplier shall be to the registration by the relevant Replacement Supplier of Metering Systems under its own (original) Party (or Supplier) registration identity,

and the Replacement Supplier shall take such steps as may be necessary within its power to merge its two Party registration identities as soon as reasonably practicable and in any event within three months after the Appointment Day.

7.7.16 The failing Supplier shall remain responsible for any rights and liabilities under the Code (whether actual or contingent and whether past, present or future) to the extent that responsibility for such rights and liabilities does not pass to the relevant Replacement Supplier pursuant to this paragraph 7.7 (or otherwise pursuant to this paragraph 7).