



July 2002

**DRAFT MODIFICATION REPORT
MODIFICATION PROPOSAL**

**P94 - Introduction Of A Process To Allow The
Panel To Recall Modification Reports From The
Authority To Allow The Legal Drafting To Be
Corrected If Working Assumptions Prove To Be
Incorrect**

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

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I DOCUMENT CONTROL

a Authorities

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0.1	23/07/02	Change Delivery		Initial draft for review
0.2	25/07/02	Change Delivery		For Consultation

Version	Date	Reviewer	Signature	Responsibility

b Distribution

Name	Organisation
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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 47/011 – Presented	ELEXON	7 June 2002	FINAL
2	P94 Initial Assessment	ELEXON	18 July 2002	1.0

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1 SUMMARY AND RECOMMENDATIONS

1.1 Recommendation

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal during the Assessment Phase, and the resultant findings of this report, the BSC Panel recommends that:

Modification Proposal P94 should be made with an Implementation Date of:

- **30 September 2002 if an Authority determination is made on or prior to 9 September 2002; or**
- **15 Working Days after such Authority determination if that determination is made after the 9 September 2002.**

1.2 Background

Modification Proposal P94 - Introduction Of A Process To Allow The Panel To Recall Modification Reports From The Authority To Allow The Legal Drafting To Be Corrected If Working Assumptions Prove To Be Incorrect' (P94) was raised on behalf of the BSC Panel on 8 July 2002.

P94 seeks to amend Section F of the Balancing and Settlement Code to allow the Panel to apply to the Authority to amend the proposed legal contained within a Modification Report that has already been submitted to the Authority for determination, but where the Authority has not yet made a determination, so that the legal text included within the Modification Report can be corrected.

1.3 Rationale for Recommendations

The unanimous view of the Panel was that P94 would promote efficiency in the implementation and administration of the balancing and settlement arrangements (Applicable BSC Objective (d)).

The achievement of this Objective would be better facilitated by allowing the legal text contained within a Modification Report, on which the Authority has not yet made a determination, to be amended where either:

- An error was contained within the legal text included in the Modification Report; or
- The baseline against which the legal text for any Modification Proposal, or its Alternative Modification, has changed because of the introduction of legal text to implement another Modification Proposal and there is a direct impact on the legal drafting included in a Modification Report that is currently awaiting Authority determination.

[The view of the consultation responses will be inserted here i.e. if they expressed support for the Panel's recommendation or not]

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 ('the Code'). The Code 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 Code.

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

3 DESCRIPTION OF PROPOSED MODIFICATION

P94 proposes to amend Section F of the Code to enable the Panel to apply to the Authority to amend the proposed legal text included in a Modification Report that has already been submitted to the Authority for determination, but where the Authority has not yet made a determination.

The circumstances where this process would be used are

- Where there has been a change, to the Code legal text, as a result of another Modification Proposal being approved by the Authority, that affects the basis on which the legal drafting for a Modification Proposal currently with the Authority for determination. This may include requirements to change the paragraph numbers, cross references to other paragraphs within the Code or changes to the legal text where there is a clear interaction between the proposed legal text and the new baseline of the Code; or
- Where there is an error contained within the legal text of a Modification Report currently with the Authority for determination.

P94 allows for the Panel to be informed when one of the above circumstances arises and for a supplement to the Modification Report to be prepared containing revised legal text. Following approval by the Panel, the supplement will be submitted to the Authority. The legal text for this Modification allows the Panel to consider whether a consultation on the supplement is appropriate. It is envisaged that a consultation will normally be undertaken by the Panel where there is a change to the meaning contained within the legal text.

4 HISTORY OF PROPOSED MODIFICATION

P94 was raised on 8 July 2002 on behalf of the BSC Panel on 8 July 2002 following a discussion by the Panel of paper 47/011 (reference 1) at their meeting on 13 June 2002. The Initial Written Assessment (IWA), (reference 2), was presented to the Panel meeting of 18 July 2002. The Panel agreed to the recommendation in the IWA to submit P94 to the Report Phase with a provisional recommendation that the Modification Proposal should be made with an Implementation Date of:

- 30 September 2002 if an Authority determination is made on or prior to 9 September 2002; or
- 15 Working Days after such Authority determination if that determination is made after the 9 September 2002.

A draft Modification Report for P94 was issued for consultation on 26 July 2002. **XX [to be completed following consultation]** responses, representing **YY [to be completed following consultation]** Parties, were received. On the basis of the support for P94 the Panel recommends to the Authority that the Modification Proposal as set out in this report be made.

5 RATIONALE FOR PANEL RECOMMENDATIONS

The Panel agreed with the recommendation of ELEXON as set out within the IWA in that approval of P94 would better facilitate the achievement of applicable BSC Objective (d). The rationale for this is that it will allow consistency in the treatment of those Modifications that have been approved and those that are still with the Authority for determination and will allow for the correction of errors in the legal text.

6 LEGAL TEXT TO GIVE EFFECT TO THE PROPOSED MODIFICATION

P94 requires minor changes to section F of the Code. The changes to the legal text of the Code in the following sections are based on version 4.0 of Section F which was issued on 10 July 2002. If the baseline of the Code changes prior to implementation of P94, or if other Modification Proposals are to be implemented at the same time as P94, the legal text may need to be amended to realign to the new baseline.

The detailed red lined changes to the Legal text are included in Annex 2. In summary:

—Section F Inserts new paragraphs after paragraph F2.7.7 to allow the Panel to

- Prepare revised legal text for a Modification Proposal awaiting Authority determination;
- Consult with Parties about the changes to be made to the legal text to be included within a supplement to the Modification Report; and
- Send such Supplement to the Authority and for the Supplement.

7 SUMMARY OF REPRESENTATIONS

A summary of responses to the consultation on Draft Modification Report will be inserted here. Copies of the responses will be inserted in Annex 1.

ANNEX 1 – REPRESENTATIONS

[Copies of representations on Draft Modification Report will be inserted here]

ANNEX 2 – LEGAL TEXT

See attached document.

ANNEX 3 – P94 MODIFICATION PROPOSAL

See attached document.