P234 - PROPOSED LEGAL TEXT

SECTION T: SETTLEMENT AND TRADING CHARGES

Annex T-1 was amended by P217 – Alternative which was approved by the Authority on 16 October 2008 with the implementation date of 5 November 2009. P234 proposes that Annex T-1 (as amended by P217 – Alternative) be further amended as follows –

Amend Annex T-1 as follows:

15.   Replacement Price

Amend paragraph 15.3 and 15.5 as follows:

15.3   For the purposes of paragraphs ~~4~~15.2:

    (a)   if $\Sigma^w\,QSB^w_j \leq RPAR$, all Unflagged System Buy Actions in the NIV Tagged Ranked Set will be defined as Qualifying;

    (b)   if $\Sigma^w\,QSB^w_j > RPAR$:

        (i)   the Unflagged System Buy Actions in the Classified Ranked Set shall be ranked in price order, lowest priced first;

        (ii)   as $\Sigma^w\,QSB^w_j > RPAR$ there must exist a number f and a number ϕ (which may be a fraction or zero) for which:

$$RPAR = (\Sigma^{w'\,v>f}\,QSB^{w'v}_j + \phi * ((QSB^{w'f}_j)$$

where

$\Sigma^{w'\,v>f}$ is the sum over those System Buy Actions for which v is greater than f.

        (iii)   each of the System Buy Actions numbered f+1 or higher in the ranked set of Unflagged System Buy Actions for which this is true will be defined as Qualifying. If ϕ is a fraction rather than zero, then the fraction (ϕ) of the System Buy Action numbered f will be defined as Qualifying.

15.5   For the purposes of paragraphs ~~4.3~~ 15.4:

    (a)   if $\Sigma^w\,{-}QSS^w_j \leq RPAR$, all Unflagged System Sell Actions in the NIV Tagged Ranked Set will be defined as Qualifying;

    (b)   if ~~(~~$\Sigma^{\overline{mw}}\,{-}QSS^{\overline{mw}}_j$ ~~)~~$> RPAR$:

        (i)   the Unflagged System Sell Actions in the Classified Ranked Set shall be ranked in price order, highest priced first;

        (ii)   as $\Sigma^w\,{-}QSS^w_j > RPAR$ there must exist a number f and a number ϕ (which may be a fraction or zero) for which:

$$RPAR = (\Sigma^{w'\,v>f}\,{-}QSS^{w'v}_j + \phi * ((-QSS^{w'f}_j)$$

where $\Sigma^{w'\ v>f}$ is the sum over those System Sell Actions for which v is greater than f;

(iii)   each of the System Sell Actions numbered f+1 or higher in the Replacement-Priced Ranked Set for which this is true will be defined as Qualifying. If ϕ is a fraction rather than zero, then the fraction (ϕ) of the System Sell Action numbered f will be defined as Qualifying.

Amend paragraph 16.1 as follows:

16.   PAR Tagging

16.1   In respect of each Settlement Period, System Actions in the Replacement-Priced Ranked Set will be defined as PAR Tagged in the following way*:*

(a)   If:

$$\Sigma^{w'}\ QSB^{w'}_{j} \leq PAR$$

where $\Sigma^{w'}$ is the sum over the System Buy Actions in the Replacement-Priced Ranked Set

then none of the System Buy Actions (for all values of w') will be defined as PAR Tagged.

(b)   If $\Sigma^{w'}\ (QSB^{w'}_{j}) > PAR$ there must exist a number f and a number ϕ (which may be a fraction or zero) for which

$$PAR = \Sigma^{w'\ v>f}\ QSB^{w'v}_{j} + \phi * QSB^{wf}_{j}$$

where $\Sigma^{w'\ v>f}$ is the sum over those System Buy Actions for which v is greater than f.

Subject to paragraph (f), each System Buy Action numbered 1 to f-1 in the Replacement-Priced Ranked Set for which this is true will be defined as PAR Tagged. If ϕ is a fraction rather than zero, then the fraction (1-ϕ) of the System Buy Action numbered f will be defined as PAR Tagged.

(c)   If**:**

$$\Sigma^{w'}\ (-QSS^{w'}_{j}) \leq PAR$$

where $\Sigma^{w'}$ is the sum over the System Sell Actions in the Replacement-Priced Ranked Set

then none of the System Sell Actions (for all values of w') will be defined as PAR Tagged.

(d)   If $\Sigma^{w'}\ (-QSS^{w'}_{j}) > PAR$ there must exist a number f and a number ϕ (which may be a fraction or zero) for which

$$PAR = (\Sigma^{w'\ v>f}\ (-QSS^{w'v}_{j}) + \phi * ((-QSS^{wf}_{j})$$

where $\Sigma^{w'\ v>f}$ is the sum over those System Sell Actions for which v is greater than f.

Subject to paragraph (f), each of the System Sell Actions numbered 1 to f-1 in the Replacement-Priced Ranked Set for which this is true will be defined as PAR Tagged. If ϕ is a fraction rather than zero, then the fraction (1-ϕ) of the System Seller Action numbered f will be defined as PAR Tagged.

(e)   However, for each of paragraphs (b) and (d) (each a "relevant provision") separately, if the application of the relevant provision (the "initial calculation") would result in there being any System Buy Action or System Sell Action which:

(1)   is not defined as PAR Tagged, but

(2)   has the same price (including a NULL price) (other than merely by virtue of being a fraction ϕ pursuant to the initial calculation) as a System Buy Action or (as the case may be) a System Sell Action which is PAR Tagged,

then:

(i)   all such System Buy Actions $QSB^{w'_r}{}_j$ or System Sell Actions $QSS^{w'_r}{}_j$ (whether or not PAR Tagged) which have the same price are "threshold" System Actions;

(ii)   no threshold System Action shall be defined PAR Tagged pursuant to the relevant provision, but instead the fraction δ of each threshold System Buy Action $QSB^{w'_r}{}_j$ or threshold System Sell Action $QSS^{w'_r}{}_j$ which satisfies the following shall be defined as PAR Tagged:

$$\delta * \left(\sum\nolimits^{w'_r} QSB^{w'_r}{}_j = \sum\nolimits^{w'_{r'}} QSB^{w'_{r'}}{}_j \right.$$

or (as the case may be)

$$\delta * \left(\sum\nolimits^{w'_r} QSS^{w'_r}{}_j = \sum\nolimits^{w'_{r'}} QSS^{w'_{r'}}{}_j \right.$$

where

$\sum\nolimits^{w'_r}$ is the sum over all threshold System Buy Actions or (as the case may be) threshold System Sell Actions, and

$\sum\nolimits^{w'_{r'}}$ is the sum over all threshold System Buy Actions or (as the case may be) threshold System Sell Actions (including a fraction 1-ϕ thereof) which, on the basis of the initial calculation would have been defined as PAR Tagged.