

Modification Proposal – BSCP40/03	MP No: P256 (mandatory by BSCCo)
Title of Modification Proposal: Improving efficiency and clarity of the Trading Disputes Process	
Submission Date: 08 April 2010	
<p>Description of Proposed Modification</p> <p>Following a recent Trading Disputes Process review, the Trading Disputes Committee (TDC) determined that the current Disputes process is not user friendly and as efficient as it could be.</p> <p>This modification proposal seeks to introduce the following recommendations of the TDC to improve efficiency of the Disputes process:</p> <ol style="list-style-type: none"> 1. Allow the TDC the ability to: <ol style="list-style-type: none"> i. determine the rectification approach used to make adjustments following the determination of an error; and ii. amend the end date of a dispute where it has been specified on the raising form but the error is still on-going. The TDC should be able to amend the end date to cover all Settlement Days until the error has been rectified. 2. Determinations by the TDC of the rectification approach used to make adjustments in relation to settlement errors should be subject to a process that allows a Party to refer such determinations to the Panel. 3. Align the SVA Half Hourly (HH) Query Deadline with the SVA Non Half Hourly (NHH) Query Deadline of Final Reconciliation (RF) Run +70WD (it is not intended to change any other Query Deadlines); 4. Remove the concept of Precautionary Queries 5. Clarification on the definition of 'settlement error' in section W. It is suggested that: <ul style="list-style-type: none"> • Section W1.3.1 should include a cross-reference to Section W1.3.2 in order to make it clear that these two paragraphs need to be read together for the full definition of settlement error; and • 'Settlement error' should be capitalised to make it clear that it is a defined term in the Code. Therefore Section X of the Code should include a reference to the definition of "settlement error" in section W1.3.1 <p>These changes would speed up the overall Trading Disputes process and make it easier to understand. More realistic Query Deadlines would encourage participation in the process resulting in more accurate Settlement Data.</p> <p>The proposed solution has received unanimous support from the TDC and participants as a result of a consultation.</p>	

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<p>Description of Issue or Defect that Modification Proposal Seeks to Address</p> <p>Section W of the BSC details the Trading Queries and Trading Disputes process. It provides BSC Parties with a mechanism for correcting identified settlement errors.</p> <p>The Trading Disputes Committee has recently completed a review of the Trading Disputes process to identify improvements, making the process simpler and more efficient. The review has identified a number of areas for improvement:</p> <ol style="list-style-type: none"> <p>i) Currently Parties can appeal (in the first instance to the Panel and then, in certain circumstances, via arbitration) Trading Disputes decisions that are made by the TDC in respect of (a) notices or instructions that BSCCo proposes to give under the Trading Query process, (b) the three dispute criteria and (c) a determination on replacement data. Parties have no right of appeal (via arbitration) for Disputes decisions for rectification approaches as these decisions are made solely by the Panel and fall outside the arbitration criteria. Allowing the TDC to approve all rectification approaches would allow decisions to be made by those with best knowledge of the situation and would provide a mechanism for Parties to appeal all rectification approaches to the Panel.</p> <p>ii) When a Trading Query is raised it must state all affected Settlement Days and Settlement Periods claimed. Where an end date is not specified it will be assumed that the alleged settlement error is ongoing. Currently if an end date is specified, but the error is ongoing, only the periods declared on the form can be rectified.</p> <p>The SVA HH Query Deadline of Second Reconciliation Run (R2)+20WD is too strict. It is also questionable to have a Query Deadline which allows less time to correct errors than the standard Settlement processes. This has discouraged some Parties from participating in the process as they feel it is not worth raising a HH Dispute as it would most likely be timed out.</p> <p>Precautionary Queries are part of the current Disputes process. They are SVA HH Queries that are likely to be resolved outside the Disputes process but are raised ‘just in case’ so as to meet the R2 + 20WD Query Deadline described above. They are placed on hold until either the error is resolved or until the Third Reconciliation Run (R3) + 5WD when they will be treated as normal Trading Query. Even if the Query is resolved outside the Disputes process the TDC will have to formally close it.</p> <p>The definition of ‘settlement error’ considered at length during the last review and the Group felt that the criterion works well but is rather complex. The settlement error definition needs to remain legalistic however a few minor changes to the Code could make it easier to understand.</p> 	
<p>Impact on Code</p> <p>Section W</p> <p>Other Sections may also be impacted.</p>	

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Impact on Core Industry Documents or System Operator-Transmission Owner Code	
None	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties	
None	
Impact on other Configurable Items (optional by originator)	
BSCP11 – ‘Trading Queries and Trading Disputes’	
Justification for Proposed Modification with Reference to Applicable BSC Objectives (mandatory by originator)	
<p>Making the changes as described in this Modification Proposal would improve the efficiency and clarity of the Disputes process, resulting in more accurate Settlement data. It would also increase the efficiency of BSCCo and the TDC when progressing Disputes. As such this Modification better facilitates Applicable Objective (d): Promoting efficiency in the implementation of the balancing and settlement arrangements.</p>	
Urgency Recommended: No	
Justification for Urgency Recommendation (mandatory by originator if recommending progression as an Urgent Modification Proposal)	
Details of Proposer:	
Name.....BSC Panel.....	
Organisation.....	
Telephone Number.....	
Email Address.....	

Modification Proposal – BSCP40/03	MP No: P256 (mandatory by BSCCo)
Details of Proposer's Representative:	
<i>Name.....Chris Rowell (Modification Secretary).....</i>	
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Details of Representative's Alternate:	
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Attachments: Yes No (delete as appropriate) (mandatory by originator)	
Trading Disputes Process Review 2009 – The Final Findings Report, 38 pages	