

Modification Proposal

MP No: P184

(mandatory by BSCCo)

Title of Modification Proposal *(mandatory by proposer):*

Clarification of BSC Section W in relation to the application of the Query Deadline to Trading Queries/Disputes.

Submission Date *(mandatory by proposer):* 14 January 2005

Description of Proposed Modification *(mandatory by proposer):*

This Modification seeks to clarify perceived areas of ambiguity in Section W of the Code, which relate to the application of the Query Deadline to Trading Queries/Disputes. Such clarification is recommended by the Trading Disputes Committee (TDC), in accordance with legal advice provided to that Committee, and with Sections W 2.2.1, W 5.3.1 and W 5.3.2 of the Code.

Description of Issue or Defect that Modification Proposal Seeks to Address *(mandatory by proposer):*

The following specific areas have been identified by the TDC as requiring clarification. It should be noted that further exploration of these matters under the Modification Procedures may, in drafting terms, lead to consequential changes to other areas of the Code and/or of BSCP11.

W 3.2.2: Two possible interpretations exist under the current drafting of Section W as to the perceived duration of a settlement error (ie. either one settlement error exists for the entire period affected by a Trading Query/Dispute, or one settlement error exists for each Settlement Period affected by a Trading Query/Dispute). As the Query Deadline within which Trading Queries must be raised is measured in relation to the point in time at which a settlement error first occurred (see W 3.2.2 (a)), it is important that this ambiguity be removed, such that the Query Deadline is not also open to interpretation. It is recommended that Section W be redrafted so as to make clear that whilst the root cause of a settlement error (and any associated Trading Query/Dispute) can persist for a number of Settlement Periods, a settlement error itself relates to only one Settlement Period (and a single Trading Query/Dispute can therefore constitute a series of settlement errors resulting from the same root cause). It is also recommended that under W 3.2.2, the Query Deadline be defined in relation to a Settlement Period as opposed to a Trading Query.

W 3.4.6/W 3.2.7 (a): The process to be followed when only part of a Trading Query is deemed to have been raised in accordance with the applicable Query Deadline is unclear: should the TDC reject that Trading Query in its entirety, or reject only those Settlement Periods considered not to have met the Query Deadline? Clarification is recommended to reflect the intent of W 3.4.6 and W 3.2.7 (a), which was that in the event the TDC decided at the Trading Query stage that the Query Deadline had not been met by certain affected Settlement Periods, that decision would represent a determination of the TDC (for the purposes of W 3.4.3 and W 3.4.7) in respect of those Settlement Periods only. It should be noted that there is a potential inconsistency between the Code and BSCP11 "Trading Queries & Trading Disputes" in relation to this matter, which would also need to be addressed.

Impact on Code *(optional by proposer):*

Section W.

Impact on Core Industry Documents *(optional by proposer):*

Modification of the Code may necessitate changes to BSCP11.

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Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties *(optional by proposer):*

None.

Impact on other Configurable Items *(optional by proposer):*

None.

Justification for Proposed Modification with Reference to Applicable BSC Objectives *(mandatory by proposer):*

The TDC believes that this Modification would better facilitate Applicable BSC Objective (d) in "promoting efficiency in the implementation and administration of the balancing and settlement arrangements", by improving the clarity of the BSC drafting and thereby eliminating any scope for ambiguity in the interpretation of the affected clauses.

Details of Proposer:

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Attachments: NO

If Yes, Title and No. of Pages of Each Attachment: