

MODIFICATION REPORT for Modification Proposal P184**Clarification of BSC Section W in relation to the application of the Query Deadline to Trading Queries/Disputes**

Prepared by: ELEXON on behalf of the Disputes Processing Modification Group (the 'Group')

Date of issue:	12/05/05	Document reference:	P184MR
Reason for issue:	For Authority Decision	Issue/Version number:	Final/1.0

This document has been distributed in accordance with Section F2.1.10¹ of the Balancing and Settlement Code.

RECOMMENDATIONS

Having considered and taken into account the contents of the P184 draft Modification Report, the Balancing and Settlement Code Panel recommends:

- **that Proposed Modification P184 should be made;**
- **the P184 Implementation Date of 2 November 2005 if an Authority decision is received on or before 2 August 2005, or 22 February 2006 if the Authority decision is received after 2 August 2005 but on or before 25 October 2005; and**
- **the proposed text for modifying the Code, as set out in the Modification Report.**

Intellectual Property Rights and Copyright - This document contains materials the copyright and other intellectual property rights in which are vested in ELEXON Limited or which appear with the consent of the copyright owner. These materials are made available for you to review and to copy for the purposes of your establishment or operation of or participation in electricity trading arrangements under the Balancing and Settlement Code ("BSC"). All other commercial use is prohibited. Unless you are a person having an interest in electricity trading in under the BSC you are not permitted to view, download, modify, copy, distribute, transmit, store, reproduce or otherwise use, publish, licence, transfer, sell or create derivative works (in whatever format) from this document or any information obtained from this document otherwise than for personal academic or other non-commercial purposes. All copyright and other proprietary notices contained in the original material must be retained on any copy that you make. All other rights of the copyright owner not expressly dealt with above are reserved.

Disclaimer - No representation, warranty or guarantee is made that the information provided is accurate, current or complete. Whilst care is taken in the collection and provision of this information, ELEXON Limited will not be liable for any errors, omissions, misstatements or mistakes in any information or damages resulting from the use of this information or any decision made or action taken in reliance on this information.

¹ The current version of the Balancing and Settlement Code (the 'Code') can be found at <http://www.elexon.co.uk/bscrelateddocs/BSC/default.aspx>

CONTENTS TABLE

Recommendations	1
Summary of Impacted Parties and Documents	3
1 Description of Proposed Modification and Assessment Against the Applicable BSC Objectives	4
1.1 Modification Proposal	4
1.2 Proposed Modification	4
1.3 Issues Raised by the Proposed Modification	5
1.4 Assessment of how the Proposed Modification will Better Facilitate the Applicable BSC Objectives.....	5
1.5 Alternative Modification.....	5
1.6 Governance and Regulatory Framework Assessment.....	6
2 Costs.....	6
3 Rationale for Panel's Recommendations	7
4 Impact on BSC Systems and Parties	7
4.1 BSCCo	7
4.1.1 Operational	7
4.1.2 Implementation	7
4.2 BSC Systems.....	7
4.3 Parties and Party Agents	7
5 Impact on Code and Documentation	8
5.1 Balancing and Settlement Code	8
5.2 Code Subsidiary Documents	8
5.3 Impact on Core Industry Documents and Supporting Arrangements.....	8
6 Summary of Consultations.....	9
6.1 Panel's Provisional Recommendation	9
6.2 Draft Legal Text	9
6.3 Recommended Implementation Date	10
6.4 Comments and Views of the Panel	10
7 Summary of Transmission Company Analysis	10
7.1 Analysis	10
7.2 Comments and Views of the Panel	10
8 Implementation Approach.....	10
9 Document Control	11
9.1 Authorities	11
9.2 References.....	11
Annex 1 Legal Text.....	12
Annex 2 Modification Group Details	12
Annex 3 Assessment Report	12
Annex 4 Clarification of Costs.....	13
Annex 5 Consultation Responses	14

SUMMARY OF IMPACTED PARTIES AND DOCUMENTS

The following parties/documents are potentially impacted by Modification Proposal P184.

Parties	Sections of the BSC	Code Subsidiary Documents
Suppliers <input checked="" type="checkbox"/>	A <input type="checkbox"/>	BSC Procedures <input checked="" type="checkbox"/>
Generators <input checked="" type="checkbox"/>	B <input type="checkbox"/>	Codes of Practice <input type="checkbox"/>
Licence Exemptable Generators <input checked="" type="checkbox"/>	C <input type="checkbox"/>	BSC Service Descriptions <input type="checkbox"/>
Transmission Company <input checked="" type="checkbox"/>	D <input type="checkbox"/>	Service Lines <input type="checkbox"/>
Interconnector <input checked="" type="checkbox"/>	E <input type="checkbox"/>	Data Catalogues <input type="checkbox"/>
Distribution System Operators <input checked="" type="checkbox"/>	F <input type="checkbox"/>	Communication Requirements Documents <input type="checkbox"/>
Non-Physical Traders <input checked="" type="checkbox"/>	G <input type="checkbox"/>	Reporting Catalogue <input type="checkbox"/>
Party Agents		
Data Aggregators <input type="checkbox"/>	H <input type="checkbox"/>	MIDS <input type="checkbox"/>
Data Collectors <input type="checkbox"/>	I <input type="checkbox"/>	Core Industry Documents
Meter Operator Agents <input type="checkbox"/>	J <input type="checkbox"/>	Grid Code <input type="checkbox"/>
ECVNA <input type="checkbox"/>	K <input type="checkbox"/>	Supplemental Agreements <input type="checkbox"/>
MVRNA <input type="checkbox"/>	L <input type="checkbox"/>	Ancillary Services Agreements <input type="checkbox"/>
BSC Agents		
SAA <input type="checkbox"/>	M <input type="checkbox"/>	Master Registration Agreement <input type="checkbox"/>
FAA <input type="checkbox"/>	N <input type="checkbox"/>	Data Transfer Services Agreement <input type="checkbox"/>
BMRA <input type="checkbox"/>	O <input type="checkbox"/>	British Grid Systems Agreement <input type="checkbox"/>
ECVAA <input type="checkbox"/>	P <input type="checkbox"/>	Use of Interconnector Agreement <input type="checkbox"/>
CDCA <input type="checkbox"/>	Q <input type="checkbox"/>	Settlement Agreement for Scotland <input type="checkbox"/>
TAA <input type="checkbox"/>	R <input type="checkbox"/>	Distribution Codes <input type="checkbox"/>
CRA <input type="checkbox"/>	S <input type="checkbox"/>	Distribution Use of System Agreements <input type="checkbox"/>
Teleswitch Agent <input type="checkbox"/>	T <input type="checkbox"/>	Distribution Connection Agreements <input type="checkbox"/>
SVAA <input type="checkbox"/>	U <input type="checkbox"/>	BSCCo
BSC Auditor <input type="checkbox"/>	V <input type="checkbox"/>	Internal Working Procedures <input checked="" type="checkbox"/>
Profile Administrator <input type="checkbox"/>	W <input checked="" type="checkbox"/>	Other Documents
Certification Agent <input type="checkbox"/>	X <input type="checkbox"/>	Transmission Licence <input type="checkbox"/>
MIDP <input type="checkbox"/>		System Operator-Transmission Owner Code <input type="checkbox"/>
Other Agents		
SMRA <input type="checkbox"/>		
Data Transmission Provider <input type="checkbox"/>		

X = Identified in Report for last Procedure
N = Newly identified in this Report

1 DESCRIPTION OF PROPOSED MODIFICATION AND ASSESSMENT AGAINST THE APPLICABLE BSC OBJECTIVES

1.1 Modification Proposal

Modification Proposal P184 'Clarification of BSC Section W in relation to the application of the Query Deadline to Trading Queries/Disputes' ('P184') (Reference 1) was raised on 14 January 2005 by the BSC Panel (the 'Panel'), on the recommendation of the Trading Disputes Committee (TDC) (Reference 2). The issue was originally highlighted at the December meeting of the TDC.

The P184 Initial Written Assessment (IWA) (Reference 3) was presented to the Panel on 10 February 2005; the Panel determined that the proposal should be submitted to a two-month Assessment Procedure conducted by the Disputes Processing Modification Group (the 'Group'). The Panel agreed that this Group should comprise members of existing Standing Modification Groups and the TDC. It was also agreed that P184 be progressed in parallel with Modification Proposal P185 'Redrafting of BSC Sections U and W in relation to clauses pertaining to the processing and rectification of Trading Queries/Disputes' (Reference 4).

The Group convened for the first time on 21 February 2005 to discuss the issues raised by the proposal. An industry consultation was issued on 8 March 2005; the responses were discussed at the second meeting of the Group on 23 March 2005. Also discussed at this meeting were the responses to the impact assessments issued to BSC Agents, BSC Parties, the Transmission Company and the BSCCo. The P184 Assessment Report (annex 3 to this document) was considered by the Panel at its meeting on 14 April 2005. At the meeting, the Panel supported the recommendations of the Group and submitted P184 to the Report Phase with a provisional recommendation that Proposed Modification P184 should be made. The Panel agreed that a draft Modification Report based on its provisional views should be issued for industry consultation. This report was considered by the Panel at its meeting on 12 May 2005. At the meeting, the Panel supported the recommendations of the Group and confirmed the recommendation that Proposed Modification P184 should be made.

1.2 Proposed Modification

This Modification Proposal seeks to clarify perceived areas of ambiguity in Section W of the Code, which relate to the application of the Query Deadlines in relation to Trading Queries/Disputes. P184 proposes to clarify Section W of the Code with regard to:

- The perceived duration of a settlement error; and
- The Query Deadline in relation to a Settlement Period and the process followed when only part of a Trading Query is deemed to have been raised within the Query Deadline.

It was envisaged in the Modification Proposal that further exploration of these matters under the Modification Procedures may lead to consequential changes to other areas of the Code and/or of Balancing and Settlement Code Procedure (BSCP) 11 'Trading Queries and Trading Disputes'.

It is the view of the Proposer that P184 would improve the clarity of the Code and thereby eliminate scope for ambiguity in the interpretation of the affected clauses. As such, the Proposer believes that P184 would better facilitate the achievement of Applicable BSC Objective:

- (d) "Promoting efficiency in the implementation and administration of the balancing and settlement arrangements".*

1.3 Issues Raised by the Proposed Modification

The following issues were considered during the assessment of Proposed Modification P184:

- Duration of a Settlement Error and Definition of the Query Deadline in relation to a Settlement Period;
- Process to be followed when only part of a Trading Query is deemed to have been raised within the Query Deadline;
- Clarification of the Trading Query Validation Procedure; and
- Rectification of the Query Validation Procedure.

These issues are discussed in the Assessment Report (annex 3 to this document) and are not covered further here.

1.4 Assessment of how the Proposed Modification will Better Facilitate the Applicable BSC Objectives

The Group has unanimously concluded that:

- The Code is unclear as to the correct duration of a settlement error;
- The Code should state the Trading Query deadlines in relation to Settlement Periods;
- The Code requires clarification on the processes to be followed when only part of a Trading Query is deemed to have been raised within the Query Deadline;
- The Code does not clearly set out the consequences of the BSCCo being satisfied or not with regard to the Trading Query validation tests;
- The BSCCo should not validate Trading Queries that it has raised;
- Irrevocable acceptance of the BSCCo's findings that the criteria are not met is assumed from all affected Parties unless highlighted otherwise; and
- The validation of Trading Queries by the TDC should be in relation to timeliness and whether a settlement error has occurred.

The unanimous view of the Group is that P184 would better facilitate the achievement of Applicable BSC Objective (d):

(d) "Promoting efficiency in the implementation and administration of the balancing and settlement arrangements;"

It is the unanimous view of the Group that P184 would:

Improve the clarity of the BSC drafting and thereby eliminate any scope for ambiguity in the interpretation within the Trading Query process. P184 would introduce further robustness and clarity to the resolution of Trading Queries, thereby better facilitating the achievement of Applicable BSC Objective (d).

The unanimous view of the Group is that P184 has no impact on the achievement of any of the other Applicable BSC Objectives.

1.5 Alternative Modification

No Alternative Modification was identified by the Group.

1.6 Governance and Regulatory Framework Assessment

During the assessment of the Proposed Modification, the Group considered the wider implications of P184 in the context of the statutory, regulatory and contractual framework within which the Code sits, as required by the Code (Annex F-1, Paragraph 1 (g)). No impact was noted.

2 COSTS²

PROGRESSING MODIFICATION PROPOSAL	
Meeting Cost	£ 500
Legal/expert Cost	£ 6,000
Impact Assessment Cost	£ 1,500
ELEXON Resource	35 Man days £ 6,780

IMPLEMENTATION COSTS				
		Stand Alone Cost	P184 Incremental Cost	Tolerance
Total Demand Led Implementation Cost		£ 0	£ 0	N/A
ELEXON Implementation Resource Cost		94.5 Man days £ 20,790	35.5 Man days £ 7,810	+/- 5%
Total Implementation Cost ³		£ 20,790	£ 7,810	+/- 5%

ONGOING SUPPORT AND MAINTENANCE COSTS				
		Stand Alone Cost	P184 Incremental Cost	Tolerance
Service Provider Operation Cost		£ 0	£ 0	N/A
Service Provider Maintenance Cost		£ 0	£ 0	N/A
ELEXON Operational Cost		£ 0	£ 0	N/A
Total		£ 0	£ 0	N/A

² Clarification of the meanings of the cost terms in this section can be found in annex 4 of this document.

³ Implementation costs may be reduced due to parallel implementation with P185.

3 RATIONALE FOR PANEL'S RECOMMENDATIONS

The Panel Members unanimously supported the view of the Group that Proposed Modification P184 would clarify, and remove ambiguities from, Section W of the Code. As such, Proposed Modification P184 would better facilitate achievement of Applicable BSC Objective (d), and should be made.

One Panel Member queried why the term 'affected Party' had not been defined in the draft legal text. However, it was noted that this term is already defined elsewhere in the Code (Section W3.1.1 (d)).

One Panel Member queried whether the TDC would have a significantly increased workload due to validating both the timeliness and whether a settlement error actually occurred, when considering a Trading Query. However, it was noted that the process for validating timeliness is already in place, and confirming whether a settlement error actually occurred would not incur a significant increase in workload.

The Panel supported the proposed Implementation Dates recommended by the Group. Therefore, the Panel agreed that the recommended Implementation Date for Proposed Modification P184 should be:

- 2 November 2005, should the Authority determination be received on or before 2 August 2005; or
- 22 February 2006, should an Authority determination be received after this date, but prior to 25 October 2005.

4 IMPACT ON BSC SYSTEMS AND PARTIES

An assessment has been undertaken in respect of BSC Systems and Parties and the following have been identified as potentially being impacted by the Proposed Modification.

4.1 BSCCo

4.1.1 Operational

The ELEXON Disputes Team would be required to support the implementation of changes to the Disputes Referral processes and provide guidance to the industry on the new processes. There would be no significant operational impacts, but more detailed materiality calculations may be required to determine which Parties are affected by a Trading Query. There may be a small increase in administrative effort to support increased activity in managing Trading Queries. This is because of changes under P184 such that any affected Party may question the BSCCo's decision in relation to Trading Queries under P184.

4.1.2 Implementation

The ELEXON CVA Programme would be required to implement the changes to BSCP11. The Disputes, Change Planning and Corporate Assurance teams would be required to support the implementation and review of the changes.

4.2 BSC Systems

No impact was noted, as highlighted in annex 3 of this document.

4.3 Parties and Party Agents

Those Parties which are affected by a Trading Query may need to respond to the ELEXON Disputes Team when asked to provide information. This is because any affected Parties may question the BSCCo's decision in relation to Trading Queries under P184, rather than the raising Party alone. The

processes to be followed when raising and following through a Trading Query/Trading Dispute would be made clearer to Parties.

5 IMPACT ON CODE AND DOCUMENTATION

5.1 Balancing and Settlement Code

The legal text may be found in annex 1 of this document.

The following amendments should be made to Section W 'Trading Queries and Trading Disputes':

- Clarify the correct duration of a settlement error;
- Define the Trading Query deadlines in relation to Settlement Periods;
- Clarify the processes to be followed when only part of a Trading Query is deemed to have been raised within the Query Deadline;
- Define the consequences of the BSCCo's decision with regard to the Trading Query validation tests;
- State that the BSCCo should not validate Trading Queries that it has raised;
- Clarify that irrevocable acceptance of the BSCCo's findings that the criteria are not met is assumed from all affected Parties unless highlighted otherwise; and
- State that the validation of Trading Queries by the TDC should be in relation to timeliness and whether a settlement error has occurred.

5.2 Code Subsidiary Documents

The following amendments should be made to BSCP11 'Trading Queries and Trading Disputes':

- Clarify section 2 to reflect the agreed interpretation of the Query Deadline, that is, that a settlement error itself relates to only one Settlement Period;
- Within sections 4.1 and 5.1 'Trading Query Resolution Process', clarify the process to be followed where a Trading Query spans a series of Settlement Periods, with some periods existing within the Query Deadline and others outside the Query Deadline;
- State that Trading Queries raised by the BSCCo will be raised straight to the Disputes process;
- Within sections 4.1 and 5.1, state that the validation by the TDC of the BSCCo's findings are in relation to timeliness and whether a settlement error has occurred; and
- Within sections 4.1 and 5.1, reflect the requirement for the irrevocable acceptance of the BSCCo's decision by all affected Parties.

The Business Process Model may have to be updated to reflect these changes.

5.3 Impact on Core Industry Documents and Supporting Arrangements

No impact was noted.

6 SUMMARY OF CONSULTATIONS

An industry consultation on the draft Modification Report was issued on 19 April 2005. There were six respondents, representing 37 Parties in total.

Consultation question	Respondent agrees	Respondent disagrees	Opinion unexpressed
Do you agree with the Panel's views on P184 and the provisional recommendation to the Authority contained in the draft Modification Report that P184 should be made?	6 (37 Parties)	0	0
Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal?	6 (37 Parties)	0	0
Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P184?	6 (37 Parties)	0	0

6.1 Panel's Provisional Recommendation

The respondents unanimously supported the Panel's provisional recommendation that P184 should be made. These respondents were of the opinion that implementation of P184 would better facilitate the achievement of Applicable BSC Objective (d) by clarifying, and removing ambiguities from, the Code. One respondent stated that the achievement of Applicable BSC Objective (c) would also be better facilitated due to participant uncertainty being reduced.

6.2 Draft Legal Text

The respondents unanimously supported the Panel's view that the draft legal text would correctly address the issue identified by P184. However, one respondent raised a number of queries in relation to the rationale behind certain parts of the legal text. Legal advice was received on the following queries:

- The respondent questioned the need to remove the reference to a Trading Query and a Trading Dispute relating to the same matter unless the context requires otherwise, from W3.1.1 (e). The legal advice given was that this reference was removed for conciseness, as a Trading Dispute will always relate to the Trading Query from which it was raised;
- The respondent stated that in relation to W3.2.2 (a), the countdown to a deadline should commence from when a Party receives notification of the Settlement Run, and not when the Run was carried out. The legal advice given was that for the purposes of Settlement, Parties may not rely on the non-availability of reports, as per V1.1.3;
- The respondent queried whether W3.2.7 was clear enough in stating what the "treatment" of a Trading Query is. The legal advice given was that W3.2.7 refers to W3.2.1 which subsequently refers to BSCP11. As such, the wording in W3.2.7 is sufficiently transparent;
- The respondent stated that W3.2.7 (a) should be clearer in directing the reader to the relevant part of the Code, whereby the BSCCo does not address the issues in considering a Trading Query and escalates it to a Trading Dispute. The legal advice given was that W3.3.1 (b) is clear enough in this respect;
- The respondent stated that the clause relating to the BSCCo not instructing rectification of an error unless it can be resolved by the Final Reconciliation Run, should not be removed from W3.2.9. The legal advice given was that this issue is covered in W3.3.1 (e); and

- The respondent stated that the clause relating to a Party's ability to take a decision to arbitration should not be removed from W3.4.9. The legal advice given was that this issue is covered in W3.6.4.

The legal advice given on these issues was discussed with the respondent, who agreed that no changes to the legal text were required.

6.3 Recommended Implementation Date

The respondents unanimously supported the recommended Implementation Date of 2 November 2005, with a fallback of 22 February 2006. One respondent noted that the November date would be the preferred option, in order to remove ambiguities from the Code as soon as possible.

6.4 Comments and Views of the Panel

The Panel noted the contents of the Report Phase consultation responses at its meeting held on 12 May 2005. The Panel noted the comments of one respondent regarding the legal text, and noted BSCCo's legal view that no change to the text was required. The Panel unanimously agreed that no changes were required to the legal text as a result of the Report Phase consultation.

7 SUMMARY OF TRANSMISSION COMPANY ANALYSIS

7.1 Analysis

Please refer to annex 3 of this document for the analysis in full.

The Transmission Company considered there to be no impact on its ability to discharge its obligations efficiently under the Transmission Licence or on its ability to operate an efficient, economical and co-ordinated Transmission System due to P184. Also, it considered there to be no issues relating to security of supply or consequential changes to Core Industry Documents. No costs were estimated to be incurred due to P184 and no impact on the computer systems and processes of the Transmission Company.

The Transmission Company believed that P184 would better facilitate the achievement of Applicable BSC Objective (d) by providing clarification to, and removing ambiguities from, the Code.

7.2 Comments and Views of the Panel

No comments were made by the Panel regarding the Transmission Company analysis.

8 IMPLEMENTATION APPROACH

If approved, P184 would be implemented as part of a scheduled release on the following basis:

- All Trading Queries raised prior to the P184 Implementation Date will be processed in accordance with the existing versions of BSC Section W and BSCP11; and
- All Trading Queries raised on or after the P184 Implementation Date will be processed in accordance with the new versions of BSC Section W and BSCP11.

However, it should be noted that the provisions relating to the Query Deadline timescales introduced by Modification Proposal P131 'Introduction of further provisions relating to the determination of Trading Disputes' (Reference 5) only apply in respect of Trading Queries which relate to Settlement Days on or after 3 November 2004 (i.e. for Settlement Days prior to 3 November 2004, the time limit of 20 months following the affected Settlement Day(s) will apply). This is a consequence of the approach used to

implement P131. P184 would not impact the Query Deadline, so for example, a Trading Query raised after implementation of P184 would follow the P184 rules, but its timeliness would be validated according to what Settlement Periods it related to.

It is recommended that P184 be implemented in parallel with Proposed Modification P185, if approved.

9 DOCUMENT CONTROL

9.1 Authorities

Version	Date	Author	Reviewer	Change Reference
0.1	15/04/05	Change Delivery	Tom Bowcutt	Peer Review
0.2	18/04/05	Change Delivery	Sarah Parsons	Technical Review
0.3	19/04/05	Change Delivery		For Consultation
0.4	29/04/05	Change Delivery	Sarah Parsons	Technical Review
0.5	03/05/05	Change Delivery	Alex Grieve	Quality Review
0.6	04/05/05	Change Delivery	Panel	For Issue
0.7	12/05/05	Change Delivery	Sarah Parsons	Technical Review
1.0	13/05/05	Change Delivery	Authority	For Authority Decision

9.2 References

Ref	Document	Owner	Issue date	Version
1	Modification Proposal P184 'Clarification of BSC Section W in relation to the application of the Query Deadline to Trading Queries/Disputes' http://www.elexon.co.uk/documents/modifications/184/P184.pdf	BSCCo	14/01/05	1.0
2	Recommendation to Raise a Modification Proposal: Proposed Modifications to BSC Sections W and U – TDC Recommendation (88/012) http://www.elexon.co.uk/documents/BSC_Panel_and_Panel_Committees/BSC_Panel_Meetings_2005_-_088_-_Papers/88_012.pdf	BSCCO	13/01/05	1.0
3	P184 Initial Written Assessment http://www.elexon.co.uk/documents/BSC_Panel_and_Panel_Committees/BSC_Panel_Meetings_2005_-_089_-_Papers/89_007a.pdf	BSCCo	03/02/05	1.0
4	Modification Proposal P185 'Redrafting of BSC Sections U and W in relation to clauses pertaining to processing and rectification of Trading Queries/Disputes' http://www.elexon.co.uk/documents/modifications/185/P185.pdf	BSCCo	14/01/05	1.0
5	Modification Proposal P131 'Introduction of further provisions relating to the determination of Trading Disputes' http://www.elexon.co.uk/documents/modifications/131/P131.pdf	BSCCo	23/06/03	1.0

ANNEX 1 LEGAL TEXT

Attachment 1 contains the legal text for Proposed Modification P184.

ANNEX 2 MODIFICATION GROUP DETAILS

NAME	POSITION	MEMBER	MEETING ATTENDANCE	
			21/02/2005	23/03/2005
Thomas Bowcutt (Chairman)	BSCCo	Y	Y	Y
Andrew Colley	Scottish and Southern	Y	Y	N
Stephanie Gent	EDF Energy	Y	Y	N
Shelley Lister	Npower	Y	Y	Y
Steve Mackay	Ofgem	N	Y	Y
Naomi Maguire	BSCCo	N	Y	N
Mark Manley	British Gas	Y	Y	Y
Victoria Moxham	BSCCo	N	Y	Y
Tim Roberts	Scottish Power	Y	Y	Y
Paul Robinson	National Grid	Y	Y	N
Mark Thomas	RWE Trading	Y	Y	Y
David Ahmad (Lawyer)	BSCCo	N	Y	Y
David White (Lead Analyst)	BSCCo	Y	Y	Y

The specific Terms of Reference agreed by the Panel were to consider:

- Duration of a Settlement Error and Definition of the Query Deadline in relation to a Settlement Period;
- Process to be followed when only part of a Trading Query is deemed to have been raised within the Query Deadlines;
- Clarification of the Trading Query Validation Procedure; and
- Rectification of the Query Validation Procedure.

ANNEX 3 ASSESSMENT REPORT

[Attachment 2](#) contains the Assessment Report for P184 while Attachment 3 contains the responses to the Assessment Consultation associated with this Assessment Report.

ANNEX 4 CLARIFICATION OF COSTS

There are several different types of costs relating to the implementation of Modification Proposals. ELEXON implements the majority of Approved Modifications under its CVA or SVA Release Programmes. These Programmes incur a base overhead which is broadly stable whatever the content of the Release. On top of this each Approved Modification incurs an incremental implementation cost. The table of estimated costs of implementing the Proposed/Alternative Modification given in section 2 of this report has three columns:

- **Stand Alone Cost** – the cost of delivering the Modification as a stand alone project outside of a CVA or SVA Release, or the cost of a CVA or SVA Release with no other changes included in the Release scope. This is the estimated maximum cost that could be attributed to any one Modification implementation.
- **Incremental Cost** - the cost of adding that Modification Proposal to the scope of an existing release. This cost would also represent the potential saving if the Modification Proposal was to be removed from the scope of a release before development had started.
- **Tolerance** – the predicted limits of how certain the cost estimates included in the template are. The tolerance will be dependent on the complexity and certainty of the solution and the time allowed for the provision of an impact assessment by the Service Provider(s).

The cost breakdowns are shown below:

PROGRESSING MODIFICATION PROPOSAL	
Meeting Cost	This is the cost associated with holding Modification Group meetings and is based on an estimate of the travel expenses claimed by Modification Group members.
Legal/expert Cost	This is the cost associated with obtaining external expert advice, usually legal advice.
Impact Assessment Cost	Service Provider Impact Assessments are covered by a pre-determined monthly contractual charge. Therefore the cost included in this report is an estimate based on the level of impact assessment that the modification is expected to require and may not reflect the actual cost attributed to the modification, which will be based on a percentage of the contractual impact assessment costs for each month that it is assessed.
ELEXON Resource	This is the ELEXON Resource requirement to progress the Modification Proposal through the Modification Procedures. This is estimated using a standard formula based on the length of the Modification Procedure.

TOTAL DEMAND LED IMPLEMENTATION COSTS
This is calculated as the sum of the total Service Provider(s) Cost and the total Implementation Cost. The tolerance associated with the Total Demand Led Implementation Cost is calculated as the weighted average of the individual Service Provider(s) Costs and Implementation Costs tolerances. This tolerance will be rounded to the nearest 5%.

ELEXON IMPLEMENTATION RESOURCE COSTS

Cost quoted in man days multiplied by project average daily rate, which represents the resources utilised by ELEXON in supporting the implementation of the release. This cost is typically funded from the "ELEXON Operational" budget using existing staff, but there may be instances where the total resources required to deliver a release exceeds the level of available ELEXON resources, in which case additional Demand Led Resources will be required.

The ELEXON Implementation Resource Cost will typically have a tolerance of +/- 5% associated with it.

ONGOING SUPPORT AND MAINTENANCE COSTS

ELEXON Operational Cost	Cost, in man days per annum multiplied by project average daily rate, of operating the revised systems and processes post implementation.
Service Provider Operation Cost	Cost in £ per annum payable to the Service Provider(s) to cover staffing requirements, software or hardware licensing fees, communications charges or any hardware storage fees associated with the ongoing operation of the revised systems and processes.
Service Provider Maintenance Cost	Cost quoted in £ per annum payable to the Service Provider(s) to cover the maintenance of the amended BSC Systems. Note that from 1 January 2005, Service Provider Maintenance costs will be covered by a fixed contractual charge and so any Modification Proposals implemented after this date will not incur an ongoing Service Provider Maintenance cost.

ANNEX 5 CONSULTATION REPONSES

Attachment 4 contains the responses to the draft Modification Report consultation.