

91/006



ASSESSMENT REPORT for Modification Proposal P185 Redrafting of BSC Sections U and W in relation to clauses pertaining to the processing and rectification of Trading Queries/Disputes

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

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Reason for issue: For Issue **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

The Group invites the Panel to:

- **AGREE that Proposed Modification P185 should be made;**
- **AGREE a provisional Implementation Date for Proposed Modification P185 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;**
- **AGREE that Modification Proposal P185 be submitted to the Report Phase; and**
- **AGREE that the draft Modification Report be issued for consultation and submitted to the Panel Meeting of 12 May 2005.**

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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>

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SUMMARY OF IMPACTED PARTIES AND DOCUMENTS

As far as the Group has been able to assess the following parties/documents are potentially impacted by Modification Proposal P185.

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		
	H <input type="checkbox"/>	MIDS <input type="checkbox"/>
Data Aggregators <input type="checkbox"/>	I <input type="checkbox"/>	Core Industry Documents
Data Collectors <input type="checkbox"/>	J <input type="checkbox"/>	Grid Code <input type="checkbox"/>
Meter Operator Agents <input type="checkbox"/>	K <input type="checkbox"/>	Supplemental Agreements <input type="checkbox"/>
ECVNA <input type="checkbox"/>	L <input type="checkbox"/>	Ancillary Services Agreements <input type="checkbox"/>
MVRNA <input type="checkbox"/>	M <input type="checkbox"/>	Master Registration Agreement <input type="checkbox"/>
BSC Agents		
SAA <input type="checkbox"/>	N <input type="checkbox"/>	Data Transfer Services Agreement <input type="checkbox"/>
FAA <input type="checkbox"/>	O <input type="checkbox"/>	British Grid Systems Agreement <input type="checkbox"/>
BMRA <input type="checkbox"/>	P <input type="checkbox"/>	Use of Interconnector Agreement <input type="checkbox"/>
ECVAA <input type="checkbox"/>	Q <input type="checkbox"/>	Settlement Agreement for Scotland <input type="checkbox"/>
CDCA <input type="checkbox"/>	R <input type="checkbox"/>	Distribution Codes <input type="checkbox"/>
TAA <input type="checkbox"/>	S <input type="checkbox"/>	Distribution Use of System Agreements <input type="checkbox"/>
CRA <input type="checkbox"/>	T <input type="checkbox"/>	Distribution Connection Agreements <input type="checkbox"/>
Teleswitch Agent <input type="checkbox"/>	U <input checked="" type="checkbox"/>	BSCCo
SVAA <input type="checkbox"/>	V <input type="checkbox"/>	Internal Working Procedures <input checked="" type="checkbox"/>
BSC Auditor <input type="checkbox"/>	W <input checked="" type="checkbox"/>	Other Documents
Profile Administrator <input type="checkbox"/>	X <input type="checkbox"/>	Transmission Licence <input type="checkbox"/>
Certification Agent <input type="checkbox"/>		System Operator-Transmission Owner Code <input type="checkbox"/>
MIDP <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 P185 'Redrafting of BSC Sections U and W in relation to clauses pertaining to the processing and rectification of Trading Queries/Disputes' ('P185') (Reference 1) was raised on 14 January 2005 by the Balancing and Settlement Code (the 'Code') 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 P185 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 P185 be progressed in parallel with Modification Proposal P184 'Clarification of BSC Section W in relation to application of the Query Deadline to 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.

1.2 Proposed Modification

P185 seeks to redraft areas of Sections U and W of the Code in order to remedy perceived deficiencies and improve conciseness. Such redrafting is recommended by the TDC, in accordance with legal advice provided to that Committee.

The following specific areas were identified by the TDC as requiring redrafting:

- Extra-Settlement Determinations (ESDs) may be performed between Settlement Runs in order to correct previous settlement errors. Section U of the Code requires an ESD to be 'unwound' at the next Settlement Run, but does not explicitly state that the settlement error should then be corrected in the next Settlement Run via the normal Settlement process. Rather, this correction is implicitly assumed. The TDC believes that it should be clarified that the ESD shall be 'unwound' and the settlement error shall be corrected at the next Settlement Run;
- Section W of the Code states what the TDC may do following the resolution of a Trading Dispute. Some of these options are prefixed with the words "may determine", when in actual fact they should be prefixed with "shall determine", given that there are no other options. The opposite scenario also exists within the clauses in question. The TDC believes that this wording should be amended to reflect actual practice, and also that the relevant clauses should be collapsed into one clause; and
- Section W of the Code outlines how the TDC arrives at decisions in respect of Trading Queries and Trading Disputes. The TDC believes that the relevant wording should be collapsed into fewer clauses.

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 P185 would remedy any deficiencies in, and improve the conciseness of, the drafting of the Code. As such, the Proposer believes that P185 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

This section outlines the discussions of the Modification Group regarding the following issues raised by the Proposed Modification:

- ESD and Initial Settlement Error Correction;
- Options Following Resolution of a Trading Dispute; and
- Decision-Making Process of the TDC.

A summary of the Group's views regarding the cost-benefits of the Proposed Modification and its merits against the Applicable BSC Objectives can be found in section 1.4 of this document.

1.3.1 ESD and Initial Settlement Error Correction

The Code allows for ESDs performed between Settlement Runs to be 'unwound' at the next Settlement Run such that payments are not made or received twice by Parties. The Group unanimously agreed that the Code be amended to clarify that where an ESD has been performed between Settlement Runs, the settlement error should be corrected as well as the ESD being 'unwound' at the next Settlement Run. The Group walked through and was satisfied with the draft legal text relating to this issue.

1.3.2 Options Following Resolution of a Trading Dispute

The Group unanimously agreed that the Code be redrafted to collapse into fewer clauses those relating to the TDC's options following resolution of a Trading Dispute. It was noted by the Group that the change proposed under P185 relating to a may/shall deliberation in clause W4.2.1 is now unnecessary since this change was included in Modification Proposal P179 'Housekeeping Modification', which was implemented on 10 February 2005. The Group agreed that the may/shall deliberation in clause W4.1.1 (which was not addressed under P179) should be amended under P185. The Group walked through, and was satisfied with, the draft legal text relating to this issue.

1.3.3 Decision-Making Process of the TDC

It was the Group's unanimous decision not to redraft the Code to collapse into fewer clauses those relating to the decision-making process of the TDC, as proposed. Rather, it was decided that this redrafting would be better incorporated in Proposed Modification P184. It was noted that other proposed changes in P184 already affect the relevant clauses and as such, the interaction between P184 and P185 would be reduced.

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

On the basis of the foregoing, the Group has unanimously concluded that:

- The Code is not clear on processes which need to be followed with regard to an ESD being performed between Settlement Runs;
- The Code is not as concise as it could be with regard to describing the options available to the TDC following the resolution of a Trading Dispute; and

- The changes proposed to clauses pertaining to the decision-making process of the TDC should be taken forward under P184 in order to minimise the interaction between the Modification Proposals.

It is the unanimous view of the Group that P185 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 P185 would:

By clarifying the Code with regard to the processes following an ESD being performed between Settlement Runs, and making concise the options available to the TDC following resolution of a Trading Dispute, better facilitate the achievement of the Applicable BSC Objectives.

It is the unanimous view of the Group that P185 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 P185 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	£ 2,500
Impact Assessment Cost	£ 1,500
ELEXON Resource	35 Man days £ 6,780
Total	£ 11,280

² Clarification of the meanings of the cost terms in this section can be found in annex 7 of this report

IMPLEMENTATION COSTS

		Stand Alone Cost	P185 Incremental Cost	Tolerance
Total Demand Led Implementation Cost		£ 0	£ 0	N/A
ELEXON Implementation Resource Cost		90.5 Man days £ 19,910	31.5 Man days £ 6,930	+/- 5%
Total Implementation Cost		£ 19,910	£ 6,930	+/- 5%

ONGOING SUPPORT AND MAINTENANCE COSTS

		Stand Alone Cost	P185 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	£ 0

3 RATIONALE FOR MODIFICATION GROUP'S RECOMMENDATIONS TO THE PANEL

3.1 Proposed Modification

The unanimous view of the Group was that P185 would improve the clarity of the Code and thereby eliminate scope for ambiguity in the interpretation of the affected clauses. As such, the Group believes that P185 would better facilitate the achievement of Applicable BSC Objective (d) and should be made.

3.2 Implementation Dates

In accordance with the responses to the impact assessment, the recommended Implementation Date for Proposed Modification P185 allows a 13 week lead time following an Authority decision in order to progress the required documentation and process changes through the industry review and approval process. Furthermore, the recommended Implementation Dates are consistent with the CVA Release strategy as follows:

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

The Group considered implementing P185 outside of the release strategy in order to reduce the time that the ambiguities remained in the Code. However, having considered the additional costs of this approach and the time that the ambiguities will have already been present in the Code, then the Group agreed that P185 should be implemented within the release strategy. It was noted that if the TDC and/or the BSCCo become aware of any issues being caused by the ambiguities, then this could be reported to the Panel who could ask the Authority to bring the Implementation Dates forward (in accordance with Section F2.11.9 of the Code).

If approved, P185 would be implemented on the following basis:

- All Trading Queries raised prior to the P185 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 P185 Implementation Date will be processed in accordance with the new versions of BSC Section W and BSCP11.

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

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 Disputes Team

The ELEXON Disputes Team would be required to support implementation of changes to the Disputes Referral processes. There would be no significant operational impacts.

4.1.2 Implementation

The ELEXON CVA Programme would be required to implement the required 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 5 of this document.

4.3 Parties and Party Agents

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

The following amendments would be made to:

Section U 'Provisions Relating to Settlement' to:

- Clarify that the settlement error is to be corrected as well as “unwinding” the ESD at the next Settlement Run, in the event of an ESD being prescribed between Settlement Runs; and

Section W ‘Trading Queries and Trading Disputes’ to:

- Amend the relevant clauses to reflect actual working practice following the resolution of Trading Disputes. These paragraphs should also be collapsed for conciseness.

5.2 Code Subsidiary Documents

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

- Sections 4.6 and 5.6 may require amendment to state that the settlement error should be corrected as well as the ESD being ‘unwound’ at the next Settlement Run, where that ESD was performed between Settlement Runs. These sections should also be amended to say that these corrections be performed at the next “Settlement Run” rather than the “Final Reconciliation Run”, as an ESD may be performed between the Final Reconciliation Run and a Post Final Settlement Run.

5.3 Impact on Core Industry Documents and Supporting Arrangements

No impact was noted.

6 SUMMARY OF CONSULTATIONS

Consultation question	Respondent agrees	Respondent disagrees	Opinion unexpressed
1. Do you believe that Proposed Modification P185 better facilitates the achievement of the Applicable BSC Objectives?	6 (41 Parties and 1 non-Party)	0	0
2. Do you agree with the method of clarification proposed by the Modification Group described in the consultation document?	6 (41 Parties and 1 non-Party)	0	0
3. Do you agree that the legal text provides adequate clarification of the issues highlighted in the consultation document?	6 (41 Parties and 1 non-Party)	0	0

6.1 Modification Group’s Summary of the Consultation Responses

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

It was the unanimous view of the respondents that P185 would better facilitate the achievement of Applicable BSC Objective (d), as it provides clarification to, and removes ambiguities, from the Code.

The respondents were in unanimous agreement with the method of clarification proposed by the Group.

It was the unanimous view of the respondents that the legal text provides adequate clarification of the issues highlighted in the consultation document.

One other issue was identified as follows:

- One respondent questioned the initial submission of two Modifications i.e. P184 and P185, when they are now being considered together in terms of moving proposed amendments from one to the other.

6.2 Comments and Views of the Modification Group

The Group noted the views of the respondents with regard to the support for the Modification against the Applicable BSC Objectives, the method of clarification and the legal text. It was the view of the Group that two Modification Proposals were submitted due to the Proposer feeling that P185 contained clarification-only amendments and could possibly go straight to the Report Phase, whereas P184 would involve an Assessment Procedure. However, the Panel requested that a walkthrough of the legal text be conducted by a Modification Group for both Modification Proposals. As a result, both Modification Proposals required an Assessment Phase. Legal advice after submission of the Modification Proposals suggested that some of the proposed amendments in P185 would be better suited in P184. It was also noted by the Group that separating the issues provides additional flexibility in terms of the implementation options available to the Authority.

The Group noted that the Panel requested that a walkthrough be conducted on the legal text by someone who was involved in raising Disputes, without being a member of the TDC. This was carried out at the second meeting of the Group.

It was also noted that the majority of the consultation responses received were from individuals who also sit on the TDC. Although it was understood that this did not represent all sectors of the industry, it was also noted that significant effort had been made to publicise the consultation e.g. e-mailing it to all Parties and publishing on the BSCCo website and in various newsletters to industry.

The Group also noted the relevant Change Proposals being raised – these are summarised below. It was agreed by the Group that it was unnecessary for P185 to contain further changes to account for these Change Proposals. In summary, these relate to:

- Removing the requirement to provide an end-date for all Trading Queries; clarifying that an end-date need only be provided where known (CP 1118, Reference 5);
- 'Precautionary' Trading Queries which are often raised in cases where the settlement error could be rectified before the next Settlement Run, but not necessarily before the Query Deadline. It is proposed to allow these to sit 'on ice' between acknowledgement by the BSCCo and the start of investigation and analysis (CP 1119, Reference 6); and
- The Query Deadline of R1 plus 20 Working Days (WD) was felt to be too tight, therefore increasing the number of 'precautionary' Trading Queries. It is felt that many of these can be resolved by Suppliers and their Agents if the Query Deadline is extended to R2 plus 20 WD (CP 1120, Reference 7).

7 SUMMARY OF TRANSMISSION COMPANY ANALYSIS

7.1 Analysis

Please refer to annex 4 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 P185. Also, there were considered 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 P185 with no impact on the computer systems and processes of the Transmission Company.

The Transmission Company believed that P185 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 Modification Group

The Group noted the lack of impact on the Transmission Company. The Group also noted the support for P185 from the Transmission Company.

8 IMPLEMENTATION APPROACH

If approved, P185 would be implemented on the following basis:

- All Trading Queries raised prior to the P185 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 P185 Implementation Date will be processed in accordance with the new versions of BSC Section W and BSCP11.

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

9 DOCUMENT CONTROL

9.1 Authorities

Version	Date	Author	Reviewer	Change Reference
0.1	30/03/05	Change Delivery	Tom Bowcutt	Peer Review
0.2	31/03/05	Change Delivery	DPMG	Group Review
0.3	01/04/05	Change Delivery	Sarah Parsons	Technical Review
0.4	06/04/05	Change Delivery	Alex Grieve	Quality Review
1.0	08/04/05	Change Delivery		For Issue

9.2 References

Ref	Document	Owner	Issue date	Version
1	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
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	P185 Initial Written Assessment http://www.elexon.co.uk/documents/BSC_Panel_and_Panel_Committees/BSC_Panel_Meetings_2005_-_089_-_Papers/89_008a.pdf	BSCCo	03/02/05	1.0
4	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

5	Change Proposal CP 1118 'Clarification of the Trading Query end-date' http://www.elexon.co.uk/documents/CHANGE_AND_IMPLIMENTATION/CHANGE_PROPOSALS/CP1118.PDF	BSCCo	22/03/05	1.0
6	Change Proposal CP 1119 'Amendment of BSCP11, 'Trading Queries and Trading Disputes', to address the treatment of "precautionary" Trading Queries which could potentially be resolved outside the Trading Query process prior to Final Reconciliation' http://www.elexon.co.uk/documents/CHANGE_AND_IMPLIMENTATION/CHANGE_PROPOSALS/CP1119.PDF	BSCCo	22/03/05	1.0
7	Change Proposal CP 1120 'Amendment of the Trading Query Deadline for SVA Half Hourly Trading Queries' http://www.elexon.co.uk/documents/CHANGE_AND_IMPLIMENTATION/CHANGE_PROPOSALS/CP1120.PDF	BSCCo	22/03/05	1.0

ANNEX 1 DRAFT LEGAL TEXT

For the draft legal text to give effect to Proposed Modification P185, please refer to Attachment 1.

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	N	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:

- ESD and Initial Settlement Error Correction; and
- Options Following Resolution of a Trading Dispute.

ANNEX 3 ASSESSMENT CONSULTATION RESPONSES

For the responses to industry consultation on Proposed Modification P184, please refer to Attachment 2.



ANNEX 4 TRANSMISSION COMPANY ANALYSIS

P185 TRANSMISSION COMPANY ANALYSIS AND IMPACT ASSESSMENT – RESPONSE PRO-FORMA

In accordance with paragraph F 2.8 of the Code, please respond to the following questions concerning P185 (including the rationale for each response):

Q	Question	Response
1	Please outline any impact of the Proposed Modification (and, if applicable, any Alternative Modification) on the ability of the Transmission Company to discharge its obligations efficiently under the Transmission Licence and on its ability to operate an efficient, economical and co-ordinated transmission system.	No impact has been identified as a result of this modification proposal on the ability of the Transmission Company to discharge its obligations under the Transmission Licence.
2	Please outline the views and rationale of the Transmission Company as to whether the Proposed Modification (and, if applicable, any Alternative Modification) would better facilitate achievement of the Applicable BSC Objectives.	We support the initial views expressed by the Modification Group that the proposed modification meets BSC Applicable Objective d) by clarifying the options available to the TDC for resolution of a Trading Dispute.
3	Please outline the impact of the Proposed Modification (and, if applicable, any Alternative Modification) on the computer systems and processes of the Transmission Company, including details of any changes to such systems and processes that would be required as a result of the implementation of the Proposed Modification (and, if applicable, any Alternative Modification	No impact has been identified on the computer systems and processes of the Transmission Company resulting from this modification proposal.
4	Please outline any potential issues relating to the security of supply arising from the Proposed Modification (and, if applicable, any Alternative Modification).	No issues have been identified.
5	Please provide an estimate of the development, capital and operating costs (broken down in reasonable detail) which the Transmission Company anticipates that it would incur in, and as a result of, implementing the Proposed Modification (and, if applicable, any Alternative Modification).	No costs have been identified.
6	Please provide details of any consequential changes to Core Industry Documents and/or the System Operator Transmission Owner Code that would be required as a result of the implementation of the Proposed Modification (and, if applicable, any Alternative Modification).	No consequential changes have been identified.
7	Any other comments on the Proposed Modification (and Alternative Modification if applicable).	No further comments.


ANNEX 5 BSC AGENT IMPACT ASSESSMENTS

NETA Change Form

Title		Version No.
P184 – Clarification of BSC Section W in relation to the application of the Query Deadline to Trading Queries/Disputes		0.1
P185 – Redrafting of BSC Sections U and W in relation to clauses pertaining to processing and rectification of trading Queries/Disputes		LogicaCMG Reference
		ICR650
ELEXON Reference	Date CP Received	Date IA Issued
P184 & P185	8 Mar 2005	18 Mar 2005
LogicaCMG Contact Name	Baseline for Impact Assessment	
Neil Riddleston	P184 P185 Assessment Consultation v1.0, dated 8 Mar 2005 [P184AC]	
Price Breakdown		
Item description	Remarks	Price (ex VAT)
Change Specific		£0
Incremental Release Costs		£0
Fixed Release Costs		£0
Total Price (ex VAT)		£0
Price Tolerance		N/A
Justification for Price Tolerance		
N/A		
Project Duration		N/A
Cut Off Date for Inclusion in Specified Release (if applicable)		
N/A		

Operational Price (e.g. per annum or event) (ex VAT)	£0
Rationale	
N/A	
Annual Maintenance Price (ex VAT)	£0
Rationale	
N/A	
Validity Constraints	
The validity period for this quote is 30 days.	
Authorised Signature	Date Signed

Requirements and Solution					
Brief Summary of Change					
<p><u>P184</u> This change is to clarify Section W of the BSC relating to</p> <ul style="list-style-type: none"> the perceived duration of a settlement error the Query Deadline in relation to a Settlement Period and the process following when only part of a Trading Query is deemed to have been raised within the Query Deadline <p><u>P185</u> This change is to redraft Section U and Section W of the BSC relating to:</p> <ul style="list-style-type: none"> correction of Extra Settlement Determinations and the initial error at the next Settlement Run documenting actual practice following the resolution of a Trading Dispute general rewriting to be more concise 					
LogicaCMG's Proposed Solution					
<p><u>P184</u> There is no impact on the NETA Central Services Agent.</p> <p><u>P185</u> There is no impact on the NETA Central Services Agent.</p>					
Deviation from ELEXON's Solution / Requirements					
None					
Operational Solution and Impact					
None					
Testing Strategy					
Unit		Change Specific		End to End	
Module		Operational Acceptance		Participant Testing	
System		Performance		Parallel Running	
Regression		Volume		Deployment/ Backout	
Other:					
Validated Assumptions					
None					
Outstanding Issues					
None					
Changes to Service					

Services Impacted							
	BMRA	CDCA	CRA	ECVAA	SAA	TAA	Other
Software							
IDD Part 1 (Docs)							
IDD Part 1 (S'Sheet)							
IDD Part 2 (Docs)							
IDD Part 2 (S'Sheet)							
URS							
SS							
DS							
MSS							
OSM							
LWIs							
RTP	None						
Comms	None						
Other	None						
Nature of Documentation Changes							
None							
Nature / Size of System Changes							
N/A							
Deployment Issues, e.g. Outage Requirements:					None		
Impact on Service Levels:					None		
Impact on System Performance:					None		
Responsibilities of ELEXON							
Any amendments to BSCP11 by ELEXON will be made available to the NETA Central Services Agent for review.							
Acceptance Criteria							
N/A							
Any Other Information							
None.							
Attachments							
None							

ANNEX 6 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.