

MODIFICATION REPORT for Modification Proposal P179

Housekeeping Modification

Prepared by: ELEXON on behalf of the Balancing and Settlement Code Panel ('Panel')

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RECOMMENDATIONS

Having considered and taken into due account the contents of draft P179 Modification Report, the Balancing and Settlement Code Panel recommends:

- **that Proposed Modification P179 should be made;**
- **the P179 Implementation Date of 23 February 2005 if an Authority decision is received on or before 8 February 2005, or 10 Working Days after an Authority decision if received after 8 February 2005; and**
- **the proposed text for modifying the Code, as set out in the Modification Report.**

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SUMMARY OF IMPACTED PARTIES AND DOCUMENTS

The following parties/documents have been identified as being potentially impacted by Modification Proposal P179.

Parties	Sections of the BSC	Code Subsidiary Documents
Suppliers <input type="checkbox"/>	A <input type="checkbox"/>	BSC Procedures <input type="checkbox"/>
Generators <input type="checkbox"/>	B <input type="checkbox"/>	Codes of Practice <input type="checkbox"/>
Licence Exemptable Generators <input type="checkbox"/>	C <input type="checkbox"/>	BSC Service Descriptions <input type="checkbox"/>
Transmission Company <input type="checkbox"/>	D <input checked="" type="checkbox"/>	Service Lines <input type="checkbox"/>
Interconnector <input type="checkbox"/>	E <input type="checkbox"/>	Data Catalogues <input type="checkbox"/>
Distribution System Operators <input type="checkbox"/>	F <input type="checkbox"/>	Communication Requirements Documents <input type="checkbox"/>
Non-Physical Traders <input type="checkbox"/>	G <input checked="" 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 checked="" 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 checked="" type="checkbox"/>	Master Registration Agreement <input type="checkbox"/>
BSC Agents	N <input checked="" type="checkbox"/>	Data Transfer Services Agreement <input type="checkbox"/>
SAA <input type="checkbox"/>	O <input type="checkbox"/>	British Grid Systems Agreement <input type="checkbox"/>
FAA <input type="checkbox"/>	P <input type="checkbox"/>	Use of Interconnector Agreement <input type="checkbox"/>
BMRA <input type="checkbox"/>	Q <input checked="" type="checkbox"/>	Settlement Agreement for Scotland <input type="checkbox"/>
ECVAA <input type="checkbox"/>	R <input checked="" type="checkbox"/>	Distribution Codes <input type="checkbox"/>
CDCA <input type="checkbox"/>	S <input checked="" type="checkbox"/>	Distribution Use of System Agreements <input type="checkbox"/>
TAA <input type="checkbox"/>	T <input type="checkbox"/>	Distribution Connection Agreements <input type="checkbox"/>
CRA <input type="checkbox"/>	U <input type="checkbox"/>	BSCCo
Teleswitch Agent <input type="checkbox"/>	V <input checked="" type="checkbox"/>	Internal Working Procedures <input type="checkbox"/>
SVAA <input type="checkbox"/>	W <input checked="" type="checkbox"/>	Other Documents
BSC Auditor <input type="checkbox"/>	X <input checked="" type="checkbox"/>	Transmission Licence <input type="checkbox"/>
Profile Administrator <input type="checkbox"/>		System Operator-Transmission Owner Code <input type="checkbox"/>
Certification Agent <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 179 'Housekeeping Modification' (P179) was raised on 15 October 2004 by the BSC Panel, on recommendation by ELEXON. P179 originally contained 28 changes to the Balancing and Settlement Code ('Code'). Subsequent discussions concluded that two of the initial elements of the Modification Proposal were not self evident changes. These elements were accordingly removed with the agreement of the Panel, at its meeting on 11 November 2004.

Under Section F2.1.1(d)(iv) of the Code, BSCCo can recommend the Panel raise a Modification Proposal to rectify manifest errors, to correct minor inconsistencies and/or make other minor consequential changes to the Code.

P179 identifies 26 minor changes to the Code; resolving manifest errors, correcting incorrect references, clarifying use of Code defined terms, resolving typographical errors and inconsistencies.

1.2 Proposed Modification

P179 seeks to address 26 manifest errors and minor inconsistencies in accordance Section F2.1.1(d)(iv). It is considered that implementing these changes would promote efficiency in the implementation and administration of the balancing and settlement arrangements and remove the number of potential sources for error within the Code.

The Modification Proposal includes 3 amendments required to Section K of the Code, to reference new BSCP25 'Registration of Transmission Boundary Points, Grid Supply Points, GSP Groups and Distribution System Connection Points'. BSCP25 is being created as part of the CP1049 which is being implemented for the CVA February 2005 Release. The Modification Procedure has been initiated in parallel to align the Code with the new BSCP. The recommended Implementation Date is therefore 23 February 2005, to align with the BSCP25 effective date.

1.3 Issues raised by the Proposed Modification

The following issues were considered during the Initial Written Assessment of Proposed Modification P179:

- Scheduling of Modification;
- Modification Proposal raised against approved legal text before implementation;
- Scope of Housekeeping Modification.

These issues were discussed in the Initial Written Assessment Report and are not covered further here.

1.4 Assessment of how the Proposed Modification will better facilitate the Applicable BSC Objectives

The Panel believes that P179 would remove sources of potential error and would increase efficiency therefore better facilitating the achievement of Applicable BSC Objective (d) - '*promoting efficiency in the implementation and administration of the balancing and settlement arrangements*'. The Panel is of the view the proposal has no impact on any of the other Applicable BSC Objectives.

1.5 Alternative Modification

There is no Alternative Modification.

1.6 Governance and regulatory framework assessment

No Impact has been identified on the Governance and regulatory framework.

2 COSTS

This change only involves amending the Code and thus effort is contained to ELEXON operational costs. In this case, these amount to 2 man days equating to £300.

IMPLEMENTATION COSTS

		Stand Alone Cost	P179 Incremental Cost	Tolerance
ELEXON Implementation Resource Cost		2 Man days £ 300	0 Man days £ 0	+/- 0%
Total Implementation Cost		£ 300	£ 0	+/- 0%

3 RATIONALE FOR PANEL'S RECOMMENDATIONS

The Panel recommends that Proposed Modification P179 should be made, as it would increase the efficiency of the Code while removing a number of potential sources of error in the Code. Therefore P179 would better facilitate the achievement of Applicable BSC Objective (d).

An Implementation Date of 23 February 2005 is recommended if an Authority decision is received on or before 8 February 2005, or 10 Working Days after an Authority decision if received after 8 February 2005. The rationale for this has been discussed in section 1.2 of this report, to facilitate the required reference amendments to the Code in parallel with the implementation of CP1049 and authorisation of new BSCP25.

4 IMPACT ON BSC SYSTEMS AND PARTIES

P179 does not impact any BSC Systems or Parties.

5 IMPACT ON CODE AND DOCUMENTATION

5.1 Balancing and Settlement Code

Item	Impact of Proposed Modification
Section D	Amended reference
Section G	Manifest error, amended reference
Section K	Manifest error

Section M	Typographical error, corrections to usage of Code defined term
Section N	Amended references
Section Q	Amended reference, typographical error
Section R	Correction to usage of Code defined term, amended references
Section S	Manifest error, amended references
Section V	Correction to usage of Code defined term, amended references
Section W	Redundant clause, manifest error
Section X	Correction to usage of Code defined term, amended references, inconsistencies

Refer to Annex 1 for legal text.

5.2 Code Subsidiary Documents

P179 does not impact any Code Subsidiary Documents.

5.3 BSCCo Memorandum and Articles of Association

No impact identified to the BSCCo Memorandum and Articles of Association.

5.4 Impact on Core Industry Documents and supporting arrangements

No impact identified on Core Industry Documents and supporting arrangements.

6 SUMMARY OF CONSULTATIONS

Consultation question	Respondent agrees	Respondent disagrees	Opinion unexpressed
Do you agree with the Panel's views on P179 and the provisional recommendation to the Authority contained in the draft Modification Report that P179 should be made?	3 (21 Parties)	1 (10 Parties)	1 (1 Party)
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?	2 (20 Parties)	2 (11 Parties)	1 (1 Party)
Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P179?	4 (31 Parties)	0	1 (1 Party)

6.1 Summary of Consultation responses

5 responses (32 Parties) were received to the consultation on the draft Modification Report. One respondent made no comment in relation to all questions.

6.1.1 Applicable BSC Objectives

In response to the first consultation question the majority of respondents expressed support for the Proposed Modification P179. Of these, all believed that the Proposed Modification would better facilitate

achievement of Applicable BSC Objective (d). One respondent disagreed that P179 should be made, with the rationale that the change made to Section W4.2.1 would amend the meaning of the Code and therefore should not comprise a housekeeping change.

6.1.2 Draft Legal Text

In response to the second consultation question, two respondents agreed that the proposed legal text would correctly address the issue identified in the Modification Proposal.

One respondent made two comments on the legal text included with the draft Modification Report. Firstly the respondent identified a typographical error to Section K3.4.2A of the legal text attached to the consultation. This error has since been corrected in the attached P179 legal text in Annex 1. Secondly this respondent did not agree with the change to paragraph W4.2.1. This is discussed further below.

The other respondent did not support the proposed legal drafting, on the grounds that the change to W4.2.1 would change the meaning of the Code.

6.1.3 Implementation Date

In response to the third consultation question all of the respondents who commented agreed with the proposed Implementation Date, as stated in the draft Modification Report.

6.1.4 Further Comments

In response to the final consultation question, 1 respondent (1 Party) disagreed with the decision to remove the change to W4.1.1 from the original Modification Proposal as they felt the rationale for the change to be correct. The original Modification Proposal contained 28 changes which subsequently had two changes removed from P179 prior to the IWA being presented to the Panel on 11 November 2004. This change was removed as it would have given new meaning to the Code, and therefore could not comprise a housekeeping change.

As detailed above, two respondents raised concerns with the inclusion of the change to paragraph W4.2.1. ELEXON has discussed the issues raised with the two respondents concerned.

One respondent initially disagreed with the inclusion of the change to W4.2.1, on the grounds the change may not be required. However following discussion with ELEXON, the respondent agreed the change could be made. This respondent did however wish to express that they felt this particular change would not fall into the scope of a housekeeping Modification as it changes the meaning of the Code.

A second respondent disagreed with both questions 1 and 2, due to the inclusion of the change to W4.2.1. Similarly, this respondent was of the view the change fell out of the scope of what may be included in a housekeeping Modification, as the change would affect the meaning of the Code. ELEXON has discussed this with the respondent and their view is unchanged. This respondent does however agree with all the other elements of P179.

The ELEXON view is that the change to W4.2.1 is a valid change for inclusion in this Modification, as W4.2.1 is being changed back to its form before the implementation of P131¹ and was an error introduced during the P131 Modification Process. The Panel considered the change to W4.2.1 as set out in section 6.2.

¹ Modification Proposal P131 'Introduction of further provisions relation to the determination of Trading Disputes'.

6.2 Comments and views of the Panel

The Panel considered the concerns (as detailed in section 6.1) raised by two of the respondents to the draft Modification Report relating to section W4.2.1. A Panel member was concerned about the inclusion of the change, as he felt the change did not comply with what is permitted under section F2.1.1(d)(iv) of the Code.

The Panel were advised, that Section F2.1.1(d)(iv), permits the Panel to raise a Modification Proposal to correct manifest errors, as well as to correct minor inconsistencies and/or make other minor consequential changes to the Code. The ELEXON view was then detailed to the Panel as follows:

The change to W4.2.1 sets out two TDC options: to recommend rectification via an Extra Settlement Determination (ESD) and/or Post-Final Settlement Run following resolution of a Post-Final Trading Dispute; or to perform an ESD between timetabled runs.

This clause is prefixed with the words "...the TDC shall recommend", therefore implying that the TDC must choose one or the other, when in fact the TDC has a further option, which is to recommend that no rectification occurs. The "shall" was incorrectly introduced during the Modification process of P131 in place of a "may", and was identified as an error during the implementation of P131. In its current form, paragraph W4.2.1 is in manifest error.

The Panel noted ELEXON's advice on this change, and having regard to the single respondent who did not agree with P179 based on this particular amendment, agreed that the change should remain within the scope of Proposed Modification P179.

7 SUMMARY OF EXTERNAL ADVICE

No external advice has been sought.

8 IMPLEMENTATION APPROACH

P179 will be Implemented on 23 February 2005 if an Authority decision is received on or before 8 February 2005, or 10 Working Days after an Authority decision if received after 8 February 2005.

P179 would be implemented on a Settlement Day basis, such that the changes would only apply to Settlement Days post implementation.

9 DOCUMENT CONTROL

9.1 Authorities

Version	Date	Author	Reviewer
0.1	17/11/04	Change Delivery	ELEXON
0.2	17/11/04	Change Delivery	ELEXON
0.3	19/11/04	Change Delivery	Industry
0.4	30/11/04	Change Delivery	ELEXON
0.5	03/11/04	Change Delivery	Panel
1.0	14/12/04	Change Delivery	Authority

9.2 References

Ref	Document	Owner	Issue date	Version
MP179	P179 Modification Proposal	ELEXON	15/10/2004	1.0
P179IWA	P179 Initial Written Assessment	ELEXON	11/11/2004	1.0

Please refer to the BSCCo website for access to the references:

<http://www.elexon.co.uk/changeimplementation/ModificationProcess/ModificationDocumentation/modProposalView.aspx?propID=195>

ANNEX 1 LEGAL TEXT

See attached P179 legal text

ANNEX 2 DRAFT MODIFICATION CONSULTATION RESPONSES

See attached consolidated Consultation responses

ANNEX 3 CLARIFICATION OF COSTS**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.