

Modification Proposal	MP No: 150 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> Targeting excess costs of PNE appeals process at unsuccessful appellants	
Submission Date <i>(mandatory by proposer):</i> 25 November 2003	
Description of Proposed Modification <i>(mandatory by proposer):</i> <p>The experience of the PNE claims process demonstrated that the cost of that process far exceeded the expectations of most market participants. As a result, it is anticipated that much of the pre-appeal PNE process costs will be smeared across all users through BSCCo charges, even though some of those users did not make a claim.</p> <p>It would be disappointing if a similar inappropriate targeting of costs were to be replicated at the appeals stage of the PNE process. This proposal therefore requires any excess Elexon costs incurred as a result of a particular appeal (over and above the fees paid¹ for lodging such an appeal) to be paid for by the appellant if their appeal is unsuccessful.</p> <p>Should more than one appeal be lodged, Elexon shall keep separate accounts of the costs they incur with respect to each appeal reference. Such separate records shall form the basis of costs to be allocated to unsuccessful appellants.</p>	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> <p>There is a significant risk that the cost of any PNE appeals process may far exceed the revenue raised from any appeals fees. It is important that non PNE appellants do not have to pay a share of the costs of unsuccessful appeals.</p>	
Impact on Code <i>(optional by proposer):</i> Section P	
Impact on Core Industry Documents <i>(optional by proposer):</i>	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i>	
Impact on other Configurable Items <i>(optional by proposer):</i>	

¹ This may be more than £5,000 as an appeal reference to the Authority may be made up of a number of individual claims each of which may attract a £5,000 fee.

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

Placing an unreasonable cost burden on non PNE appellants will undermine those parties ability to compete in the market. By targeting costs at unsuccessful appellants this proposal helps promote competition in the generation and supply of electricity of electricity (Applicable BSC objective (c)).

In addition it helps to discourage spurious PNE appeals and therefore unnecessary costs, thereby promoting efficiency in the implementation and administration of the balancing and settlement code.

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Attachments: NO

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