

Alternative Modification P146**LEGAL TEXT****SECTION A** (*version 2 including all Approved Modifications awaiting implementation*)

Amend paragraph 1.3 as follows:

1.3 Participation capacities

1.3.1 A Party may or will have one or more of the following capacities ("**participation capacities**") under the Code:

- (a) the Transmission Company (being the Party which is the holder for the time being of the Transmission Licence);
- (b) a Distribution System Operator (being a Party which distributes electricity through a Distribution System);
- (c) a Trading Party (being a Party, other than the Transmission Company, which holds Energy Accounts pursuant to paragraph 1.4);
- (d) an Interconnector Error Administrator (being a Party which, in accordance with Section K5.4, is for the time being appointed in respect of an Interconnector by the Interconnected System Operator, and has agreed, to act as such, or a Party which is otherwise required to act as such);
- (e) an Interconnector Administrator (being a Party which, in accordance with Section K5.4, is for the time being appointed in respect of an Interconnector by the Interconnected System Operator, and has agreed, to act as such);
- (f) a Supplier (being a Party which holds a Supply Licence and is responsible for Exports and/or Imports in respect of which one or more SVA Metering Systems are required to be registered pursuant to Section K);

(g) a Clearing House (being a Trading Party which is a Party in connection with central counterparty clearing services which it provides and which is an authorised person or a recognised body for the purposes of the Financial Services and Markets Act 2000);

and, for the avoidance of doubt, the words in paragraphs (a) to (g) in parentheses, following each term, are by way of explanation and are not intended to affect or alter the definition of such terms set out in Annex X-1.

1.3.2 The participation capacities listed in paragraph 1.3.1 are not limiting of any other capacity of a Party which may be provided for or referred to in the Code.

Add new paragraph 3.1.1(f) as follows, and renumber existing clauses 3.1.1(f) to (i):

3.1.1 (f) whether the Party is (or intends to be) a Clearing House and, if so, whether it is (or intends to be) a recognised investment exchange, a recognised clearing house or an authorised person as referred to in the definition of Clearing House;

- (fg) such supporting documentation as BSCCo may reasonably require in order to validate that the Party has or will have such participation capacities; and
- (gh) whether the Party was a party to the Pooling and Settlement Agreement at the date of or at any time after the date of execution of the Framework Agreement and, if so, in what capacity(ies);
- (hi) the identity of any other Party which is an Affiliate of the Party;
- (ij) whether the Party is registered for VAT purposes and if so the Party's VAT registration number.

Amend paragraph 3.3 as follows:

- 3.3.3 If a Party considers that BSCCo has made an error in validating or failing to validate under paragraph 3.3.1 that such Party or another Party holds a particular participation capacity, the Party may refer the matter to the Panel for determination (and BSCCo shall ensure that any confirmation under paragraph 3.3.4 and the list maintained under paragraph 3.3.5 reflect the Panel's determination, subject to paragraph 3.3.3A).

Add new paragraph 3.3.3A:

3.3.3A If a Party disagrees with a determination made by the Panel as to whether that Party holds the participation capacity of Clearing House that Party may, within 20 days after such determination, refer the matter to the Authority for determination (and BSCCo shall ensure that any confirmation under paragraph 3.3.4 and the list maintained under paragraph 3.3.5 reflect the Authority's determination).

SECTION D ANNEX D-3 *(version 6 including all Approved Modifications awaiting implementation)*

Add a new paragraph 3.3(c) as follows:

(c) in relation to a Trading Party that is a Clearing House, the charge rate applicable for determining the Notified Volume Charge shall be one half of the rate specified in or determined (in accordance with paragraph 1.2) for the purposes of paragraph 3.1(f).

SECTION K *(version 13 including all Approved Modifications awaiting implementation)*

Add a new paragraph K1.2.6 as follows:

1.2.6 A Clearing House shall not be (and shall not take any step which might result in its becoming) responsible for any Export or any Import.

SECTION P *(version 10 including all Approved Modifications awaiting implementation)*

Add a new paragraph 1.7

1.7 Clearing House

1.7.1 Energy Contract Volume Data or Metered Volume Reallocation Data shall not be notified on behalf of a Clearing House other than pursuant to the central counterparty clearing services provided by that Clearing House.

SECTION X ANNEX X-1 *(version 20 including all Approved Modifications awaiting implementation)*

Amend Annex X-1 as follows:

"Clearing House": means a Trading Party that, for the time being, is:

- (a) a recognised investment exchange for the purposes of section 285(1)(a) of the Financial Services and Markets Act 2000 which provides central counterparty clearing services whether in respect of transactions effected on that exchange or otherwise;
- (b) a recognised clearing house for the purposes of section 285(1)(b) of the Financial Services and Markets Act 2000 which provides central counterparty clearing services in respect of transactions effected on an investment exchange or otherwise; or
- (c) an authorised person for the purposes of section 19 of the Financial Services and Markets Act 2000 which provides central counterparty clearing services in respect of transactions effected on an investment exchange or otherwise;

and which is not an Affiliate of any Party which is responsible for any Imports or Exports;