Modification Proposal

MP No: 131

(mandatory by BSCCo)

Title of Modification Proposal (mandatory by proposer):

Introduction of further provisions relating to the determination of Trading Disputes

Submission Date (mandatory by proposer): 23 June 2003

Description of Proposed Modification (mandatory by proposer):

This Modification seeks to modify the BSC to incorporate provisions relating to the timely detection and prompt rectification of Trading Disputes, for example the setting of baseline dates for the detection of settlement errors. It is also envisaged that there will be a requirement for additional provisions relating to referral of Trading Disputes to the BSC Panel and/or arbitration as a consequence of the provisions referred to above.

Description of Issue or Defect that Modification Proposal Seeks to Address (mandatory by proposer):

The TDC is of the view that the BSC should place obligations on Parties with regard to the detection and rectification of Trading Disputes.

BSC Panel Paper 60/017 presented legal opinion on the criteria for the validity of Trading Disputes in Section 5.15 of BSCP11. The legal opinion stated that most of the criteria in Item 5.15 of BSCP11 are substantively inconsistent with the Code and therefore invalid, and that those remaining are essentially examples of types of potential settlement errors. The preamble in Item 5.15 of BSCP11 which states that all Disputes raised in accordance with BSCP11 must fulfil one of the listed criteria was also judged to be inconsistent with the Code and therefore also invalid.

Impact on Code (optional by proposer):

Section W

Impact on Core Industry Documents (optional by proposer):

Modification of the BSC may necessitate changes to BSCP11

Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties (optional by proposer):

None

Impact on other Configurable Items (optional by proposer):

None

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

This Modification Proposal has been raised by the BSC Panel on the recommendation of the TDC made in accordance with BSC Section W 5.3.1. The proposed changes to the BSC (and if necessary BSCP11), with the emphasis on prompt and accurate rectification of Settlement, will promote efficiency in the implementation and administration of the balancing and settlement arrangements (BSC Objective (d)).

Details of Proposer:

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Organisation: -

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Attachments: NO

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