

May 2003

**DRAFT MODIFICATION REPORT
MODIFICATION PROPOSAL P126 –
'BSC HOUSEKEEPING
MODIFICATION'**

**Prepared by ELEXON on behalf of the Balancing
and Settlement Code Panel**

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I DOCUMENT CONTROL

a Authorities

Version	Date	Author	Signature	Change Reference
0.1	15/05/03	ELEXON		ELEXON Review
0.2	16/05/03	ELEXON		For Consultation
0.3	12/06/03	ELEXON		For Panel Decision
1.0	20/06/03	ELEXON		For Authority Determination

b Distribution

Name	Organisation
Each BSC Party	Various
Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
energywatch	energywatch
Core Industry Document Owners	Various

c References

Ref.	Document	Owner	Issue Date	Version
1	BSC Panel Paper 60/013	ELEXON	10 April 2003	FINAL
2	P126 Initial Assessment	ELEXON	08 May 2003	1.0

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1 SUMMARY AND RECOMMENDATIONS

1.1 Recommendations

On the basis of the analysis, consultation and assessment undertaken in respect of Modification Proposal P126 'BSC Housekeeping Modification' (P126) and the resultant findings of this report, the Balancing and Settlement Code Panel (the Panel) recommends that:

Proposed Modification P126 should be made with an Implementation Date of 15 Working Days after the Authority decision.

1.2 Background

A number of minor inconsistencies, typographical errors and omissions have been identified within the BSC. Proposed Modification P126 represents a consolidation of the various 'housekeeping' changes required to rectify these defects. The specific changes are detailed in Section 4 of this report.

Modification Proposal P126 was raised on 15 April 2003 by the Panel on the recommendation of ELEXON. The Initial Written Assessment was submitted to the Panel on 08 May 2003 who agreed with the ELEXON recommendation that it should proceed directly to the Report Phase as the changes are of a minor and inconsequential nature. [After consultation with interested parties, the Panel considered this Modification Report at its meeting on 12 June 2003 and determined to make the recommendation set out above].

1.3 Rationale for Recommendations

This modification seeks to address a number of minor inconsistencies, typographical errors and omissions within the BSC. If unremedied, these errors, inconsistencies and omissions may lead to misunderstandings and confusion, which could potentially impact a Party's understanding of the operation of the Code. Addressing these defects periodically, via a consolidated housekeeping modification, is a more robust and efficient way of administering arrangements than addressing each individually when identified or awaiting individual disputes and issues to arise. Clearly it is also in all parties' general interests that the BSC is as accurate and internally consistent as possible.

The Panel therefore believes that this modification would better facilitate the achievement of the Applicable BSC Objectives contained in Condition 7A of the Transmission Licence. In particular, the modification is justified with reference to the objective in Condition 7A(3)(d) (*'promoting efficiency in the implementation and administration of the balancing and settlement arrangements'*). The proposal has no impact on any of the other objectives, as set out in Condition 7A(3)(a) to (c).

The suggested changes have no systems impact. The effect of the changes is to increase efficiency in the administration of BSC processes and, accordingly, they have been raised under BSC C3.8.8 with a view to better achieving the objective in Condition 7A(3)(d).

2 INTRODUCTION

This Report has been prepared by ELEXON Ltd on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('BSC'). The BSC is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the BSC.

This Modification Report is addressed and furnished to the Gas and Electricity Markets Authority ('the Authority') and none of the facts, opinions or statements contained herein may be relied upon by any other person.

An electronic copy of this document can be found on the BSC website, at www.elexon.co.uk

3 HISTORY OF PROPOSED MODIFICATION

P126 was raised on 15 April 2003 by the Panel on the recommendation of ELEXON under the provisions set out in section F2.1.1(d)(i) and (iv) of the Code. These provisions give the Panel the power to raise Modification Proposals where to do so would better facilitate achievement of the objective of 'efficiency in the implementation and administration of the balancing and settlement arrangements' or would have the purpose 'to rectify manifest errors in or to correct minor inconsistencies (or make other minor consequential changes) to the Code.'

At its meeting on 08 May 2003 the BSC Panel directed that P126 should proceed directly to the Report Phase pursuant to BSC F2.7. This decision was made in view of the guidance provided in BSC F2.2.4, which states:

'For the avoidance of doubt, it is expected that the Panel would usually proceed directly to the Report Phase pursuant to paragraph 2.2.3(b)(iii) where the Modification Proposal is of a minor or inconsequential nature and/or where the recommendation which the Panel should make to the Authority in relation to such Modification Proposal would generally be considered to be self-evident.'

[Accordingly, a draft Modification Report was prepared and issued for consultation on 19 May 2003. A summary of the responses received can be found in section 6 and copies of all responses found in Annex 1 of this report.]

4 DESCRIPTION OF PROPOSED MODIFICATION

The table below describes the various housekeeping changes that have been consolidated to form this Proposed Modification.

Ref.	Identified by	Section(s)/ Area(s) Affected	Type of Change	Requirement
1.	ELEXON	Section S Annex S-2	Inconsistency	Section S, pages S2-62 and S2-63 of the printed version and pdf available on the website are in a different format to the rest of the code as a different font has been used. (A Modification is not strictly required, however it has been included for clarity.)
2.	ELEXON	Section L1.3.1 Section Annex X-1	Typographical error	The word "Designated" used in the definition in Annex X-1 and text in Section L1.3.1 should be replaced with the word "Domestic", leaving the rest of the definition and context un-altered. This is bringing the Code in line with the new standard licence that came in under the Utilities Act 2000.
3.	ELEXON	Section K3.2.3	Typographical error	Currently Section K3.2.3 (b) reads: K3.2.3 (b) the date with effective from which the applicant wishes the registration to be effective It should read: K3.2.3(b)the date from which the applicant wishes the registration to be effective
4.	ELEXON	Section Annex X-1	Erroneous cross-reference	In Section Annex X-1, within the definition of "Core Industry Document Owner", it refers to Section F1.6.4 for the meaning of this. The relevant definition is actually in Section F1.6.3.
5.	ELEXON	Section V, Annex V-1, Table 1	Omission	Section V, Annex V-1, Table 1 sets out the items for BMRS publishing but the P78 legal drafting has omitted to add 'Indicative Net Imbalance Volume' (INIV). (Note that INIV was included in Section V paragraph 2.6.5 as part of the legal code for P78 and by virtue of this and Section V paragraph 2.1.2 (b), the requirement to publish the data on the BMRS was approved as part of P78.)
6.	ELEXON	Section M3.3.2	Omission	Section M3.3.1(b) refers to posting a Level 2 Credit Default statement on the BMRS or the BSC Website, whereas Section M3.3.2, which provides for its cancellation, refers only to the BMRS and should include the BSC Website.
7.	ELEXON	Section T4.10.2	Typographical error	Unnecessary duplication of "and" has been used in Section T4.10.2 Current wording highlighted below:

				<p>where Σ_i^+ is, for each Energy Account a in Settlement Period j, the sum over all BM Units i that are in delivering Trading Units, and</p> <p><u>and</u> Σ_i^- is, for each Energy Account a in Settlement Period j, the sum over all BM Units i that are in offtaking Trading Units, and</p> <p><u>and</u> Σ_a represents the sum over all Energy Accounts a, other than the TC (Non-IEA) Energy Accounts held by the Transmission Company.</p>
8.	ELEXON	Section T4.10.2	Typographical error	Section T4.10.2 refers to QCE _{aij} this should read QCE _{iaj}
9.	ELEXON	Section N6.1.3 (b)(v)	Typographical error	Remove "and" from the end of Section N6.1.3 (b) (v) due to unnecessary duplication.

5 ASSESSMENT

As the various changes described in this report are contained to BSC drafting revisions and are of a relatively minor or inconsequential nature, it has not been necessary to undertake a detailed assessment of the impact of making the changes on central and parties' systems and processes.

All of the changes are to correct number of minor inconsistencies, typographical errors and omissions to add clarification in the BSC. These changes have no impact on the systems or processes of ELEXON, BSC Agents, Parties or Party Agents.

The following issues were identified when drafting the legal text:

- The inconsistency of the use of fonts in Section S Annex S-2 does not strictly require a Modification Proposal. This has been included in the Housekeeping Modification for clarity.
- Section V, Annex V-1, Table 1 is proposing to add 'Indicative Net Imbalance Volume' (INIV) into the table of items to be published by the BMRS. It was pointed out that any addition to such data requires Panel approval beforehand (see Section V4.3.1). However it was subsequently noted that that INIV was included in Section V paragraph 2.6.5 as part of the legal code for P78 and by virtue of this and Section V paragraph 2.1.2 (b), the requirement to publish the data on the BMRS was approved as part of P78.

6 SUMMARY OF REPRESENTATIONS

[Insert summary responses to consultation on Draft Modification Report. Insert and refer to copies of all representations at Annex 1.]

7 LEGAL TEXT

The legal text for P126 can be found as Attachment 1 of this Report.

8 ANNEX 1 – REPRESENTATIONS

[Insert copies of representations on Draft Modification Report.]