



December 2002

**INITIAL ASSESSMENT OF
MODIFICATION PROPOSAL P113 -
E-mail Communications under the
Code**

Prepared by ELEXON Limited

Document Reference	P113IR
Version no.	1.0
Issue	Final
Date of Issue	6 December 2002
Reason for Issue	Peer Review
Author	ELEXON

I DOCUMENT CONTROL

a Authorities

Version	Date	Author	Signature	Change Reference
0.1	04/12/02	Kathryn Coffin		For Peer Review
0.2	05/12/02	Kathryn Coffin		For Internal Review
1.0	06/12/02	Kathryn Coffin		For Panel Decision

Version	Date	Reviewer	Signature	Responsibility
0.1	04/12/02	Change Delivery		
0.2	05/12/02	Change Delivery		

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

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d Document References

1. Panel Paper 52/021 - Recommendation to Raise a Modification Proposal: E-mail Communications under the Code.

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1 SUMMARY

Modification Proposal P113 'E-mail Communications under the Code' (P113), included in Annex 1, was raised on 27 November 2002 on behalf of the Balancing and Settlement Code Panel ('the Panel') in accordance with Paragraph F 2.1.1(d)(iv) of the Balancing and Settlement Code ('the Code'). P113 was raised following a discussion of paper 52/021 which outlined the requirement for clarification in the Code regarding the use of e-mail for general communications.

The existing provisions of the Code provide for particular communications to a Party, and require these communications to be given by conventional means such as postal mail or facsimile. P113 proposes to clarify that where a 'general' communication is to be given to all Parties (or a class of Parties), the communication may be given by e-mail. P113 would therefore confirm existing ELEXON practice with regard to such communications.

An initial assessment of P113 has identified that it will require clarifications to be inserted into Paragraph H 9.2 of the Code and relevant Balancing and Settlement Code Procedures (BSCPs).

No major issues have been identified by this Initial Assessment. However, three minor issues have been identified concerning:

- Contingency provisions in the event of e-mail failure;
- When an e-mail should be deemed by ELEXON to have been received by Parties;
- How e-mail addresses are notified to ELEXON for such communications.

A commentary on these issues is provided in Section 12 of this report.

On the basis of this Initial Written Assessment, the Panel is invited to:

- a) NOTE the results of the Initial Written Assessment;**
- b) DETERMINE that Modification Proposal P113 should be submitted to the Report Phase in accordance with Paragraph F 2.7 of the Code;**
- c) AGREE the Report Phase timetable such that a draft Modification Report should be completed and submitted to the Panel for consideration at their meeting of 16 January 2003; and**
- d) AGREE that the draft Modification Report contain a provisional recommendation that P113 should be made with an Implementation Date of 13 weeks after the day of an Authority decision.**

2 INTRODUCTION

This Report has been prepared by ELEXON Ltd. on behalf of the Panel, in accordance with the terms of the Code. The Code 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 Code.

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

3 DESCRIPTION OF THE MODIFICATION PROPOSAL

P113 seeks to clarify within the Code that where a 'general' communication is to be given by ELEXON, the Panel, a Panel Committee, a Modification Group, or their respective secretaries, to all Parties (or class of Parties) the communication may be given by e-mail.

The existing provisions within the Code provide for particular communications to be given to a Party, and require these communications to be given by conventional means such as postal mail or facsimile. These provisions do not make it sufficiently clear that they exclude general communications to all Parties.

It is ELEXON's current practice that general communications, requiring correspondence with large numbers of recipients (typically several hundred per communication), are sent via e-mail. Examples of such communications include:

- ELEXON Circulars issued by ELEXON Communications to all interested parties;
- Distribution of information to all BSC Parties and other interested parties (as defined in F 1.1.2(b) of the Code) by ELEXON in respect of Modification Proposals;
- Distribution of information to and from all BSC Change Administrators and Party Agent Change Administrators from ELEXON in accordance with BSCP40 in respect of Change Proposals and Modification Proposals;
- Distribution of the meeting dates, agendas, papers and minutes of the Panel and Panel Sub-Committees by ELEXON Stakeholder Services and relevant Committee secretary; and
- Correspondence from Lead Analysts to Modification Group members regarding Modification Proposals.

It is also ELEXON's practice that, with the exception of confidential ELEXON Circulars sent to all BSC Signatories, such communications are simultaneously published on the relevant areas of the BSC Website – including either a copy of the original circular and its attachments or other documentation as relevant.

ELEXON believes that, in the case of such general communications, e-mail represents the most efficient means of correspondence – enabling fast dissemination of information to large numbers of interested parties. If these communications were to be sent by means other than e-mail this would add considerably to the cost to ELEXON of making such communications and lengthen the time between their issue and receipt by Parties. ELEXON therefore proposes that, in confirming the existing practice of using e-mail for these communications, P113 would better facilitate the objective set out in Condition C3(3)(d) of the Transmission Licence – i.e. to promote efficiency in the implementation and administration of the balancing and settlement arrangements. P113 is not intended to alter the provisions by which particular communications are given to individual Parties.

At the meeting of the Panel held on 14 November 2002 ELEXON recommended (Paper 52/021, Reference 1) that a Modification Proposal be raised in accordance with Paragraph F 2.1.1(d)(iv) of the Code, which enables the Panel to raise a Modification to rectify minor inconsistencies, manifest errors or other minor consequential changes within the Code. The Panel agreed that a Modification should be raised and presented to its meeting of 12 December 2002.

A copy of the Modification Proposal can be found at Annex 1 to this report.

4 IMPACT ON BSC SYSTEMS AND PROCESSES

None identified.

5 IMPACT ON OTHER SYSTEMS AND PROCESSES USED BY PARTIES

None identified.

6 IMPACT ON DOCUMENTATION

6.1 Impact on Balancing and Settlement Code

Clarifications would need to be inserted into Paragraph H 9.2 of the Code (see legal text attached as Annex 2 to this report).

6.2 Impact on Code Subsidiary Documents

Currently, the means by which BSC Parties, Party Agents and other interested parties notify ELEXON of the e-mail addresses to which they wish to receive particular types of general communications are documented within relevant BSCPs or ELEXON working practices. Should P113 be approved by the Authority, ELEXON shall undertake a review of this documentation to ensure that existing provisions within the BSCPs are robust and that any notifications of e-mail addresses currently documented in ELEXON working practices are incorporated into existing relevant BSCPs.

6.3 Impact on Core Industry Documents

None identified.

7 IMPACT ON OTHER CONFIGURABLE ITEMS

None identified.

8 IMPACT ON ELEXON

None identified, since the proposed changes would confirm existing practice.

9 IMPACT ON FINANCIAL ARRANGEMENTS AND BUDGET

None identified.

10 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

None identified.

11 PROCESS AND TIMETABLE FOR PROGRESSING THE PROPOSAL

This Initial Assessment indicates that no further work is required to define or assess the proposed amendments to the Code. ELEXON therefore recommends that this Modification Proposal be submitted directly to the Report Phase with a provisional recommendation to the Authority that P113 be approved with an Implementation Date of 13 weeks after the date of an Authority decision. The draft Modification Report, including consultation responses, should be presented to the Panel at their meeting on 16 January 2003. The proposed implementation timescale takes into account the time required to make any necessary changes to relevant BSCPs.

12 ISSUES

No major issues were identified during this Initial Assessment. However, three minor issues have been identified during the drafting of legal text as follows:

- Contingency provisions in the event of e-mail failure.

Should a prolonged period of e-mail outage occur, ELEXON's Business Continuity Plan provides for the use of alternative forms of communication including (but not limited to) the temporary use of internet-based e-mail accounts and communication by fax. These provisions are continuously assessed for their robustness and to ensure that, should they be invoked, any disruption to normal communication is minimised.

Whilst recognising the need for such contingency provisions, this issue is not felt to detract from the efficiency of e-mail as a form of communication or to be material to the progression of P113.

- When an e-mail should be deemed by ELEXON to have been received by Parties.

ELEXON considers that e-mail delivery receipts are not a reliable means of deeming receipt by Parties since they rely on the particular configuration and operation of recipients' e-mail systems. ELEXON therefore believes that an e-mail should be deemed to have been received one hour after it has been successfully transmitted past ELEXON's e-mail firewall. If the conclusion of this hour falls after 5pm on the day of transmission, the e-mail shall be deemed to have been received at 9am on the following day. Where an undeliverable receipt is received, ELEXON will endeavour to contact the Party concerned in order to issue the communication to that Party by alternative means.

Communications sent by e-mail in respect of Urgent Modification Proposals would form an exception to the above, with such communications deemed to have been received one hour after successful transmission. Where communications regarding Urgent Modifications are to be sent outside of working hours, ELEXON will (where possible) provide advance notice of its intent to issue such communications.

- How e-mail addresses are notified to ELEXON for such communications.

Should P113 be approved by the Authority, ELEXON will ensure that current working practices in relation to use of e-mail for general communications are documented within existing relevant BSCPs (see Section 6.2 of this report).

ANNEX 1 – MODIFICATION PROPOSAL

Modification Proposal	MP No: 113 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> E-mail communications under the Code.	
Submission Date <i>(mandatory by proposer):</i> 27 November 2002	
Description of Proposed Modification <i>(mandatory by proposer):</i> To confirm that where a communication is to be given, by the Panel, ELEXON, a Panel Committee or a Modification Group, to all Parties (or a class of Parties), the communication may be given by e-mail.	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> The provisions of the Code relating to the giving of communications require clarification in this area.	
Impact on Code <i>(optional by proposer):</i> Amendment of Sections A and H.	
Impact on Core Industry Documents <i>(optional by proposer):</i> None	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i> [None]	
Impact on other Configurable Items <i>(optional by proposer):</i>	
Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by proposer):</i> Sending the communications identified above by e-mail (as is currently ELEXON's practice) is more efficient than using other forms of communication. This Modification Proposal, by confirming that e-mail communication is effective, better facilitates the objective set out in Condition C3(3)(d) of the Transmission Licence, namely to promote efficiency in the implementation and administration of the balancing and settlement arrangements.	
Details of Proposer: Name: Organisation: BSC Panel Telephone Number: Email Address:	

Modification Proposal	MP No: 113 <i>(mandatory by BSCCo)</i>
Details of Proposer's Representative: Name: Modification Secretary Organisation: ELEXON Telephone Number: 020 73804337 Email Address: chris.rowell@ELEXON.co.uk	
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	
Attachments: NO If Yes, Title and No. of Pages of Each Attachment:	

ANNEX 2 – LEGAL TEXT

Attached as separate document.