

Change Proposal – F40/01

CP No: 1119

Version No: 1.0

Title (*mandatory by originator*) Amendment of BSCP11, 'Trading Queries and Trading Disputes', to address the treatment of "precautionary" Trading Queries which could potentially be resolved outside the Trading Query process prior to Final Reconciliation.

Description of Problem/Issue (*mandatory by originator*)

An industry working group was held at the request of the Trading Disputes Committee (TDC) where it was identified that since the implementation of Modification Proposal P131, Parties have adopted the practice of raising "precautionary" Trading Queries within the R1 plus 20 working day (WD) deadline in order to mitigate against errors remaining uncorrected at Final Reconciliation (RF) which have missed the R1 plus 20 WD deadline.

The view of the working group was that a significant proportion of these Trading Queries would be capable of resolution by Suppliers and their Agents outside of the Query/Disputes process prior to RF. However, there is currently no formal process to cater for the following scenarios:

- delaying the treatment of a Trading Query pending action by the Supplier and their Agents to correct the error within RF
- removing a Trading Query from the Trading Query process where it has been validly resolved via other Code-authorised methods.

Proposed Solution(s) (*mandatory by originator*)

It is proposed that BSCP11 should be amended to specify that "precautionary" Trading Queries should be identified as such by the Raising Party when first raised. Any Trading Query identified as "precautionary" could sit "on ice" between its acknowledgement by ELEXON and the start of investigation and analysis.

At a later stage (for example when the Raising Party advises ELEXON that the error has been resolved or after the Third Reconciliation (R3) Run), the process would be 'kick-started' by ELEXON requesting additional information from the Raising Party (in accordance with step 5.1.3 of the existing process). Once all information requested is received by ELEXON, the Disputes Secretary would collate all evidence of settlement error and consider whether:

- a) all affected Settlement Periods claimed have been raised within the applicable Trading Query deadline;
- b) the materiality of the Trading Query is greater than £500;
- c) a settlement error exists.

For all "precautionary" Trading Queries successfully resolved prior to R3, the Trading Query would be considered by BSCCo as invalid against at least one of the above checks (i.e. there would be no materiality and no settlement error). These findings would be reported to the Raising Party in accordance with step 5.1.6 of the existing process. Following this, the Raising Party would notify ELEXON of its acceptance of these findings. Upon receipt of the Raising Party's acceptance, ELEXON would close the Trading Query.

Any Queries which remained unresolved up to this point would be addressed via the Trading

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<p>Queries/Disputes process in the usual manner. BSCP11 should be amended to state that for any “precautionary” Trading Query that is reactivated (rather than resolved outside of the Trading Query process), the Raising Party would be expected to provide evidence that attempts had been made to resolve the error with its Agents prior to the relevant HH SVA Query Deadline. This addition to the process would insure that the incentive for the timely detection and correction of errors (introduced by Modification P131) remains.</p>	
<p>Justification for Change <i>(mandatory by originator)</i></p> <p>The Code allows for the pre-RF correction of certain HH SVA errors outside of the Trading Query Process. However, BSCP11 does not cater for circumstances where a Trading Query has been raised within the Query Deadline, but has subsequently been corrected within RF by the Supplier and its Agents.</p> <p>The proposed changes would reduce the numbers of “precautionary” Trading Queries requiring resolution through the Trading Query process and provide a valid method of removing Trading Queries from the Query process where they have been corrected by other means.</p>	
<p>Configurable Items Potentially Affected by Proposed Solution(s) <i>(optional by Originator)</i></p> <p>BSCP11</p>	
<p>Impact on Core Industry Documents <i>(optional by originator)</i></p> <p>N/A</p>	
<p>Related Changes and/or Projects <i>(mandatory by BSSCo)</i></p> <ul style="list-style-type: none"> • Clarification of the Trading Query end-date • Amendment of the Trading Query Deadline for SVA Half Hourly Trading Queries 	
<p>Requested Implementation Date <i>(mandatory by originator)</i></p> <p>To coincide with the proposed implementation date of P184/P185 (if approved).</p> <p>Reason:</p> <p>So that all substantive changes to the Trading Query/Disputes process can be implemented together.</p>	

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Agreed Release/Implementation Date (mandatory by BSCCo)	
Originator's Details: BCA Name..... Organisation ELEXON (on behalf of the TDC) Email Address..... Date 22 March 2005	
Attachments: Y/N* (If Yes, No. of Pages attached:.....) <i>(delete as appropriate)</i>	