

## Issue 28 - Further Considerations on Section P

The Panel raised Issue 28 on 10 May 2007 following concerns arising as a result of Modification Proposal P210. The Settlement Standing Modification Group (SSMG) and any additional experts should discuss whether Modification to the Code is required in the area of Dual Notification and other points arising from the post P210 process and from the Trading Disputes Committee (TDC).

The five issues initially identified are shown in Figure 1 below. It is acknowledged that further issues may be uncovered by progression of Issue 28.

| Ref | Area for Review  | Potential Way Forward   |
|-----|--|---|
| 1   | Dual Notification (Section P)  | Review of rules   |
| 2   | Process for replacing one notification Agent with another (P2.2.5, P3.2.5)                       | Review of rules   |
| 3   | Handling of negative CALF by MVRN refusal / rejection process (Section P)                        | Review of rules   |
| 4   | Handling of overwrite notifications by refusal / rejection process (Section P)                   | Review of Central Systems. Assess cost of bringing systems strictly in line with BSC (via BSCP40 change process). |
| 5   | Inability to correct Settlement arising from erroneous placement into Credit Default (Section M) | Review of rules   |

Figure 1

### Background

Modification Proposal P210 'Revisions to the Text in Section P related to Single Notifications of Energy Contract Volumes and Metered Volume Reallocations' was raised by the Panel (February 2007), and was specific to the area of single notifications. The aim of P210 was to align the Code with industry practice.

When raising P210, the Panel noted that there was a need to also investigate and address potential inconsistencies around dual notifications. The Panel agreed this should not be addressed under P210 because dual notification was not being used by Parties and this may compromise the Modification Proposal. Progression of P210 raised a number of specific concerns, particularly in relation to the interaction of the submission of notifications during a Credit Default period. It was agreed that these did not fall within the strict remit of P210, but should be considered by an Issue Group after the P210 process was completed.

One area for investigation was identified via the TDC. It was identified that a Settlement error may arise as a result of a Party being erroneously placed in Credit Default. This means that notifications are refused or rejected when they should have been accepted. However, the Code does not permit correction of an error arising from this specific circumstance (Section M 3.5.1(c)(i)).

The Imbalance Settlement Group (ISG) was informed of these issues. The ISG noted that further investigation in the specified areas would be likely to uncover other discrepancies.

### **Way Forward**

It is evident that the current arrangements do not deliver efficient and transparent operation of the Code, though the issues identified are not impacting the day to day operation of the Code. The Standing Issue Group should consider the identified issues and any others that are uncovered, formally document them and develop options for their resolution. The Group should make a recommendation regarding the raising of a Modification to resolve the issues identified.