

#### 4.5. MP Form

<b>Modification Proposal – BSCP40/03</b>	MP No: P288 <i>(mandatory by BSCCo)</i>
<b>Title of Modification Proposal</b> <i>(mandatory by originator):</i>	
Aligning Supplier Charge SP08a calculation with current practice	
<b>Submission Date</b> <i>(mandatory by originator):</i>	
8 <sup>th</sup> November 2012	
<b>Description of Proposed Modification</b>	
Amend BSC Section S Annex S-1 Section 3.2.2 to reflect how the PARMS Serial SP08a <sup>1</sup> Supplier Charge is calculated to 1 decimal place (d.p.), rather than 2 d.p. as stated in the BSC. This change will mean the BSC reflects the existing practice of how the SP08a Supplier Charge is calculated.	
<b>Description of Issue or Defect that Modification Proposal Seeks to Address</b>	
<p>Annex S-1 of the BSC currently states that the Supplier Charges for SP08a should be calculated on underperformance values rounded to two d.p.. However the Supplier Charge System currently calculates Supplier Charges for SP08a based on underperformance values rounded to 1 d.p..</p> <p>The percentage of Non-Half Hourly (NHH) Energy Settled on Annual Advances (%AA) values are submitted by SVAA each month in the SP08a file, which only allows %AA values to be stored to one d.p. Therefore the underperformance can only ever be calculated to 1 d.p. too. For example, if a Supplier was settling 96.44%AA at RF it would be underperforming by 0.56%. However the SP08a file stores the %AA value as 96.4% which would equate to an underperformance of 0.6%.</p> <p>This issue does not impact SP08b or SP08c because PARMS does not use the stored %AA values to calculate the associated Supplier Charges, whereas for SP08a PARMS does use the stored %AA values to calculate Supplier Charges. The Supplier Charges associated with SP08b and SP08c are calculated across the month, whereas SP08a is calculated daily. PARMS aggregates the energy volumes for each Settlement Day in SP08b and SP08c for each reporting period to calculate the %AA values to 2 d.p.</p>	
<b>Impact on Code</b> <i>(optional by originator)</i>	
The proposal would make amendments to Section S, Annex S1 Section 3.2.2	
<b>Impact on Core Industry Documents or System Operator-Transmission Owner Code</b>	
None	

<sup>1</sup> Percentage of Non-Half Hourly (NHH) Energy Settled on Annual Advances

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<b>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties</b>  None	
<b>Impact on other Configurable Items</b>  None	
<b>Justification for Proposed Modification with Reference to Applicable BSC Objectives</b>  We believe that this Modification Proposal better facilitates Applicable BSC Objective (d) ‘promoting efficiency in the implementation of the Balancing and Settlement arrangements’.  We believe it is self-evident that removing this inconsistency in the BSC better facilitates the efficiency of the BSC arrangements by aligning the BSC with the longstanding practice. This Modification will also ensure that the alternative costly system changes and material impact on Parties, to amend the system to align with the Code are avoided.  This proposed solution was the preferred option of the Performance Assurance Board (PAB) as it is the more proportionate, cost effective and could be progressed and implemented quickly with minimal impact to parties.	
<b>Is there a likely material environmental impact?</b>  No	
<b>Urgency Recommended:</b>  No	
<b>Justification for Urgency Recommendation</b>  Not applicable	
<b>Self-Governance Recommended:</b>  Yes	

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<b>Justification for Self-Governance Recommendation</b> <i>(mandatory by originator if recommending progression as Self-Governance Modification Proposal)</i>	
<p>We believe that the Modification meets the Self Governance Criteria set out in Annex X-1 of the Code. It has no material impact on consumers, competition, the Transmission Systems or BSC Governance.</p>	
<p>The Proposal seeks to align the Code provisions on the calculation of SP08a Supplier Charges with how they are calculated in practice. Therefore the only impact is on ELEXON to put into effect the change.</p>	
<b>Should this Modification Proposal be considered exempt from any ongoing Significant Code Reviews?</b>	
<p>Yes</p>	
<b>Details of Proposer:</b>	
<i>Name</i> BSC Panel	
<i>Organisation</i> -	
<i>Telephone Number</i> -	
<i>Email Address</i> -	
<b>Details of Proposer's Representative:</b>	
<i>Name</i> Adam Lattimore	
<i>Organisation</i> ELEXON	
<i>Telephone Number</i> 020 7380 4363	
<i>Email address</i> adam.lattimore@elexon.co.uk	
<b>Details of Representative's Alternate:</b>	
<i>Name</i> David Barber	
<i>Organisation</i> ELEXON	
<i>Telephone Number</i> 020 7380 4327	
<i>Email address</i> david.barber@elexon.co.uk	

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<b>Attachments: Yes / <del>No</del></b>	
Draft BSC legal text (1 page)	