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for energy consumers

Michael Gibbons
Chair, BSC Panel

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Date: 10 January 2017

Dear Michael,

Authority decision to 'send back' Balancing and Settlement Code (BSC) modification proposal P347 (Reduction in R1 Read Requirement for Half Hourly Sites)

On 16 December 2016, ELEXON submitted a Final Modification Report (FMR) for BSC modification proposal P347 (Reduction in R1 Read Requirement for Half Hourly Sites) to the Authority on behalf of the BSC Panel.

Following discussions with ELEXON about an error in the legal text, we have decided that we cannot form an opinion on P347 based on the FMR as submitted.

The error is located in the proposed legal text for Annex S-1 of the BSC (appendix A to the FMR), clause 2.2.8. As drafted, the legal text would change the read performance level for measurement classes F and G to 90% at the "First Reconciliation Volume Allocation Run and any subsequent Reconciliation Volume Allocation Runs". However, we understand that the intent of the modification (as indicated, for example, on p3 of the FMR¹) is to change the read performance level for these measurement classes only at the First Reconciliation Volume Allocation Run (also known as R1), and to maintain the current 99% read performance level at subsequent Reconciliation Volume Allocation Runs. The legal text as drafted therefore means that the modification would have a wider impact on settlement than intended.

We therefore direct² the Panel to revise the FMR so that the legal text reflects the intent of the modification, and resubmit it to us for decision as soon as practicable.

Yours sincerely,

Cathryn Scott
Partner, Energy Systems

Signed on behalf of the Authority and authorised for that purpose

¹ The summary Solution in the FMR states: "P347 proposes to reduce the read Performance Level at R1 to 90% for HH customers in Measurement Classes "F" and "G"."

² In accordance with Transmission Licence Standard Licence Condition C3 5(aa) and BSC Section F 2.7A.1