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**INITIAL ASSESSMENT OF
MODIFICATION PROPOSAL P101 -
HOUSEKEEPING MODIFICATION**

Prepared by ELEXON Limited

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I DOCUMENT CONTROL

a Authorities

Version	Date	Author	Signature	Change Reference
0.1	09/10/02	Sandy Blows		
1.0	11/10/02	Sandy Blows		

Version	Date	Reviewer	Signature	Responsibility
0.1	09/10/02	Mike Downing		
1.0	17/10/02	BSC Panel		

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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1 SUMMARY

Modification Proposal P101 was raised on 16 September 2002 by the BSC Panel, on the recommendation of ELEXON.

P101 identifies a number of minor inconsistencies, typographical errors and one point of clarification within the BSC. This proposed Modification represents a consolidation of the various 'housekeeping' changes required to rectify these defects. The specific changes are detailed in Section 3 of this report.

One issue was identified when drafting the legal text concerning the missing definition of 'Low Grade Service' within Section V. Following discussion with ELEXON's Legal Department, it has been agreed that this definition should be included in Section X Annex-1 rather than Section V. This will make it consistent with the definition of High Grade Service already contained within Section X Annex-1.

Because of the inconsequential nature of the changes to the Code that would result from this Modification, the associated legal text has been prepared and is attached as Annex 2.

This Modification will have no impact on any BSC systems, processes or working practices of ELEXON or participants.

The Panel is invited to:

- a) **NOTE the results of the Initial Written Assessment;**
- b) **DETERMINE that Modification Proposal P101 should be submitted to Report Phase in accordance with Section F2.7 of the Code;**
- c) **AGREE that a draft Modification Report should be completed and submitted to the Panel for consideration at their meeting of 14 November 2002; and**
- d) **AGREE that the draft Modification Report contain a provisional recommendation that P101 should be made with an Implementation Date of 10 Business Days after the Authority decision.**

2 INTRODUCTION

This Report has been prepared by ELEXON Ltd. on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('BSC'). The BSC 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 BSC.

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

3 DESCRIPTION OF THE MODIFICATION PROPOSAL

The following table describes the various housekeeping changes that have been consolidated to form this Proposed Modification.

Ref.	Identified by	Section(s) / Area(s) Affected	Type of Change	Requirement
1.	ELEXON	X Annex-2	Typographical Error	Erroneous Repetition of 'a payment'.
2.	ELEXON	X Annex-2	Typographical Error	The definition of 'Account Energy Imbalance Cashflow' in Section X-2 is incorrect and has got the sign convention reversed. This should be changed such that a positive value is a payment to the Party.
3.	ELEXON	M3.1.1 (a)	Typographical Error	The equation has too many brackets and should be: $CCP_{pj} = (EL_{pj} / ECC_p) * 100$ and not $CCP_{pj} = \{ EL_{pj} / (ECC_p) \} * 100$
4.	ELEXON	B1.1.2c B2.3 B2.3.1 F2.1.1b F2.1.10 X Annex-1	Name update	All NECC references to be changed to energywatch.
5.	ELEXON	X Annex-1	Missing Definition	Add 'Low Grade Service': has the meaning given to that term in Section V2.3.
6.	ELEXON	P 5.3.1(b)(ii)	Incorrect Definition	'Downtime' should be in lowercase. This will make the use of the term consistent with other Sections and CSDs.
7.	npower	K3.5.6	Erroneous Numbering	In K3.5.6 it refers to 3.4.2(a)(ii) but there is no (ii) in that paragraph. The (ii) should be removed.
8.	ELEXON	Q6.1.2 and Q6.4.2	Clarification	There are several references to the use of 'Friday' throughout the Section. The problem arises when the Friday is a Bank Holiday and therefore information is not provided on the Friday as indicated in the Code. A change is required to refer to 'the last Business Day of the week' to allow for Bank Holidays.

Ref.	Identified by	Section(s) / Area(s) Affected	Type of Change	Requirement
9.	ELEXON	P6.1.1 and P6.5.3	Typographical Error	P6.1.1. (d)(iv) – The 'and' needs moving to Q6.1.1(d)(v). P6.5.3 (c) – remove '; and' at the end of paragraph and replace it with a full stop.
10.	ELEXON	T1.3.6	Inconsistency	Inconsistency between Annex S-2 and Section T. Section T1.3.6 is incorrect. It is BMUADV that is passed from SVAA to SAA. SAA then uses this to calculate BM Unit Metered Volumes for Supplier BM Units, in accordance with the formula in T4.2.1.
11.	ELEXON	C3.1.4	Paragraph Numbering	Paragraph 3.14 should be numbered 3.1.4.
12.	ELEXON	M3.4.2	Cross References	M3.4.2 cross-references back to paragraphs 3.2.6(b)(ii) and 3.3.1(b)(ii) but both of these paragraphs do not have any subparagraphs so (ii)s should be removed.

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

4 IMPACT ON BSC SYSTEMS AND PROCESSES

None

5 IMPACT ON OTHER SYSTEMS AND PROCESSES USED BY PARTIES

None

6 IMPACT ON DOCUMENTATION

6.1 Impact on Balancing and Settlement Code

See proposed changes in Section 3 above and legal text changes in Annex 2.

6.2 Impact on Code Subsidiary Documents

No impact has been identified on any of the Code Subsidiary Documents.

6.3 Impact on Core Industry Documents

No impact has been identified on any of the Core Industry Documents.

7 IMPACT ON OTHER CONFIGURABLE ITEMS

No impact has been identified.

8 IMPACT ON ELEXON

No impact has been identified on any of the ELEXON systems or processes.

9 IMPACT ON FINANCIAL ARRANGEMENTS AND BUDGET

No impact has been identified.

10 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

No impact has been identified.

11 PROCESS AND TIMETABLE FOR PROGRESSING THE PROPOSAL

ELEXON recommends that this Modification Proposal proceeds directly to Report Phase with the recommendation that the change be made with an Implementation Date of 10 days after the Authority's decision.

12 ISSUES

One issue was identified when drafting the legal text concerning the missing definition of 'Low Grade Service' within Section V. Following discussion with ELEXON's Legal Department, it has been agreed

that this definition should be included in Section X Annex-1 rather than Section V. This will make it consistent with the definition of High Grade Service already contained within Section X Annex-1.

ANNEX 1 – MODIFICATION PROPOSAL

Modification Proposal	MP No: 101 (mandatory by BSCCo)
Title of Modification Proposal (mandatory by proposer):	
Submission Date (mandatory by proposer): 16 September 2002	
Description of Proposed Modification (mandatory by proposer): Rectification of minor inconsistencies, typographical errors and clarifications within the BSC	
Description of Issue or Defect that Modification Proposal Seeks to Address (mandatory by proposer): See Appendix 1	
Impact on Code (optional by proposer): See Appendix 1	
Impact on Core Industry Documents (optional by proposer):	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties (optional by proposer):	
Impact on other Configurable Items (optional by proposer):	
Justification for Proposed Modification with Reference to Applicable BSC Objectives (mandatory by proposer): The BSC Panel can raise a Modification Proposal to address the many minor inconsistencies, manifest errors or consequential changes in accordance with Section F2.1.1(d)(iv) of the Code. The Applicable Objective is in condition &A(3)(d) of the Transmission Licence to promote efficiency in the implementation and administration of the balancing and settlement arrangements.	
Details of Proposer: Name: Organisation: Telephone Number: Email Address:	

Modification Proposal	MP No: 101 (mandatory by BSCCo)
Details of Proposer's Representative: Name: Modification Secretary Organisation: ELEXON Telephone Number: 0207 380 4337 Email Address: chris.rowell@elexon.co.uk	
Details of Representative's Alternate: Name: Organisation: Telephone Number: Email Address:	
Attachments: YES If Yes, Title and No. of Pages of Each Attachment: Log of Proposals – 2 pages	

Appendix 1 – Log of Proposals

Ref.	Identified by	Section(s) / Area(s) Affected	Type of Change	Requirement
1.	ELEXON	X Annex-2	Typographical Error	Erroneous Repetition of 'a payment'.
2.	ELEXON	X Annex-2	Typographical Error	The definition of 'Account Energy Imbalance Cashflow' in Section X-2 is incorrect and has got the sign convention reversed. This should be changed such that a positive value is a payment to the Party.
3.	ELEXON	M3.1.1 (a)	Typographical Error	The equation has too many brackets and should be: $CCP_{pj} = (EL_{pj} / ECC_p) * 100$ and not $CCP_{pj} = \{ EL_{pj} / (ECC_p) \} * 100$
4.	ELEXON	Potentially all	Name update	All NECC references to be changed to energywatch.
5.	ELEXON	V2.3.1(b)	Missing Definition	Add 'Low Grade Service': has the meaning given to that term in Section V2.3.
6.	ELEXON	P (b)(ii)	Incorrect Definition	'Downtime' should be in lowercase. This will make the use of the term consistent with other Sections and CSDs.
7.	npower	K3.5.6	Erroneous Numbering	In K3.5.6 it refers to 3.4.2(a)(ii) but there is no (ii) in that paragraph. The (ii) should be removed.
8.	ELEXON	Section Q	Clarification	There are several references to the use of 'Friday' throughout the Section. The problem arises when the Friday is a Bank Holiday and therefore information is not provided on the Friday as indicated in the Code. A change is required to refer to 'the last Business Day of the week' to allow for Bank Holidays.
9.	ELEXON	P6.5.3 and P6.1.1	Typographical Error	P6.5.3 (c) – remove '; and' at the end of paragraph and replace it with a full stop. P6.1.1. (d)(iv) – The 'and' needs moving to Q6.1.1(d)(v).
10.	ELEXON	T1.3.6	Inconsistency	Inconsistency between Annex S-2 and Section T. Section T1.3.6 is incorrect It's BMUADV that is passed from SVAA to SAA. SAA then uses this to calculate BM Unit Metered Volumes for Supplier BM Units, in

Ref.	Identified by	Section(s) / Area(s) Affected	Type of Change	Requirement
				accordance with the formula in T4.2.1.
11.	ELEXON	C3.1.4	Paragraph Numbering	Paragraph 3.14 should be numbered 3.1.4.
12.	ELEXON	M3.4.2	Cross References	M3.4.2 cross-references back to paragraphs 3.2.6(b)(ii) and 3.3.1(b)(ii) but both of these paragraphs do not have any subparagraphs so (ii)s should be removed.

ANNEX 2 – LEGAL TEXT

Section X Annex-2 (version 8.0)

Amend the definition of Account Energy Imbalance Cashflow in Table X-2 as follows:

Account Energy Imbalance Cashflow	$CAEI_{aj}$	£	The amount determined in accordance with Section T4.7.1. <i>The Account Energy Imbalance Cashflow is the total cashflow resulting from the Energy Imbalance of Energy Account a in Settlement Period j such that a negative quantity represents a payment to the Trading Party holding Energy Account a and a positive quantity represents a payment by the Trading Party holding Energy Account a.</i>
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Section M3.1.1(a) (version 4.0)

Delete parentheses from M3.1.1(a) and replace with brackets as follows:

3. CREDIT DEFAULT STATUS

3.1 General

3.1.1 In relation to any Settlement Period, a Trading Party's "**Credit Cover Percentage**" (CCP_{pj} , %) is:

(a) where ECC_p does not equal zero:

$$CCP_{pj} = (EI_{pj} / ECC_p) * 100$$

(b) where ECC_p equals zero:
then,

$$\text{if } EI_{pj} = 0, \text{ then } CCP_{pj} = 0$$

$$\text{if } EI_{pj} > 0, \text{ then } CCP_{pj} = + 1000$$

$$\text{if } EI_{pj} < 0, \text{ then } CCP_{pj} = - 1000$$

where

EI_{pj} is the Trading Party's Energy Indebtedness in relation to that Settlement Period;

ECC_p is the amount of the Trading Party's Energy Credit Cover most recently notified by the FAA under paragraph 2.4.2(c).

Section Annex X-1 General Glossary (version 9.0)
Section B (version 4.0)
Section F (version 4.0)

Change Section Annex X-1 General Glossary as follows:

"energywatch": means the forum of that name comprising the chairmen of the Electricity Consumers' Committees established under the Act or such other body or bodies, designated for the purposes of the Code by the Authority, as may replace such forum from time to time;

Change Section B1.1.2(c) as follows:

- 1.1.2 The Panel shall comprise the following members:
- (a) the person appointed as chairman of the Panel in accordance with paragraph 2.1;
 - (b) not more than five persons appointed by Trading Parties in accordance with paragraph 2.2;
 - (c) not more than two persons appointed by energywatch in accordance with paragraph 2.3;

Change Section B2.3 and B2.3.1 as follows:

2.3 Appointment of Panel Members by energywatch

- 2.3.1 energywatch may appoint two persons as Panel Members, by giving notice of each such appointment to the Panel Secretary.

Change Section F2.1.1(b) and F2.1.10(a)(v) as follows:

2. CODE MODIFICATION PROCEDURES

2.1 Modification Proposals

- 2.1.1 A proposal to modify the Code may be made by any of the following:
- (a) a Party (other than BSCCo or the BSC Clearer);
 - (b) energywatch;
- 2.1.10 The Modification Secretary shall as soon as reasonably practicable:
- (a) send a copy of the Modification Proposal and (if available) the initial assessment prepared by BSCCo pursuant to paragraph 2.1.8 to:
 - (i) each Party;
 - (ii) each BSC Agent;
 - (iii) the Authority;
 - (iv) each Panel Member;

- (v) energywatch;
- (vi) any other body designated by the Authority pursuant to paragraph 2.1.1(c);
- (vii) each Core Industry Document Owner;

Section Annex X-1: General Glossary (version 9.0)

Insert definition of "Low Grade Service" into Section X-1: General Glossary as follows:

"Low Grade Service": has the meaning given to that term in Section V2.3;

Section P5.3.1(b)(ii) (version 5.0)

Amend paragraph as follows:

- (ii) to do so earlier than might otherwise be done by way of planned BSC Agent downtime in accordance with the Communications Requirement Document

Section K3.5.6 (version 7.0)

Amend paragraph as follows:

- 3.5.6 For so long as a Supplier fails to comply with paragraph 3.4.2(a), each Base BM Unit and each Additional BM Unit of that Supplier shall automatically be Consumption BM Units.

Section Q (version 6.0)

Amend paragraph 6.1.2 and 6.4.2 as follows:

- 6.1.2 Not later than 1700 on the last Business Day of the week, the Transmission Company shall send to the BMRA the following data for each week from the 2nd week following the current week to the 52nd week following the current week:
- (a) the National Demand forecast expressed as an average MW value for the Settlement Period at the peak of the week;
 - (b) the national Generating Plant Demand Margin forecast expressed as an average MW value for the Settlement Period at the peak of the week.
- 6.4.2 The Transmission Company shall send to BSCCo the data set out in the table below with the frequency and by the times respectively set out in the table below:

DATA	FREQUENCY	TARGET TIME
2–14 day ahead daily Zonal Output Usable for each System Zone and daily Total Output Usable – daily peak half hour values	Whenever provided to any User pursuant to the Grid Code	16:00 Daily on Business Days only

2–49 day ahead daily Zonal Output Usable for each System Zone and daily Total Output Usable – daily peak half hour values	Whenever provided to any User pursuant to the Grid Code	Weekly at 17:00 on the last Business Day of the week
2–52 week ahead weekly Zonal Output Usable for each System Zone and weekly Total Output Usable – weekly peak half hour values	Whenever provided to any User pursuant to the Grid Code	Weekly at 17:00 on the last Business Day of the week
1-2 year ahead weekly Zonal Output Usable for each System Zone and weekly Total Output Usable – weekly peak half hour values	Whenever provided to any User pursuant to the Grid Code	Twice each year at about 6 month intervals
3-5 year ahead weekly Zonal Output Usable for each System Zone and weekly Total Output Usable – weekly peak half hour values	Whenever provided to any User pursuant to the Grid Code	Twice each year at about 6 month intervals

Section P 6.1.1 and 6.5.3 (version 5.0)

Amend P6.1.1 (d) as follows:

6. PAST NOTIFICATION ERRORS

6.1 Meaning of Past Notification Error

6.1.1 For the purposes of this Section P:

(d) in relation to a claim of Past Notification Error:

- (i) the "**relevant**" Volume Notification is the Volume Notification in respect of which the Past Notification Error occurred;
- (ii) the "**relevant**" Volume Notification Agent is the Volume Notification Agent which submitted or failed to submit (as the case may be) the relevant Volume Notification;
- (iii) the "**relevant**" Settlement Period is the Settlement Period in respect of which the Past Notification Error occurred;
- (iv) a "**relevant**" Contract Trading Party is a Contract Trading Party in relation to which the Past Notification Error occurred;
- (v) the "**rectified Volume Notification**" is the Volume Notification which would have been made had the Past Notification Error not occurred; and
- (vi) the "**relevant**" Settlement Run, in relation to a claim or claims for Past Notification Error, is the next Settlement Run as referred to in paragraph 6.5.1(b);

Amend Section P6.5.3 as follows:

- 6.5.3 BSCCo shall calculate the Error Correction Payment (ECP_a) for those Energy Account(s) of the relevant Contract Trading Party(ies) for which adjustment of the data as determined pursuant to paragraph 6.5.1 results in a reduced debit or increased credit in the Relevant Account Energy Imbalance Cashflow as follows:

$$ECP_a = 0.2 * \max (\sum_j (NCAEI_{aj} - CAEI_{aj}), 0)$$

where:

- (a) $\sum_j$ is the sum over all relevant Settlement Periods j relating to the relevant Volume Notification;
- (b) $CAEI_{aj}$ is the Account Energy Imbalance Cashflow determined by the relevant Settlement Run for Energy Account a and relevant Settlement Period j ;
- (c) $NCAEI_{aj}$ (the non-corrected Account Energy Imbalance Cashflow) is the value which would have been the value of $CAEI_{aj}$ for Energy Account a and relevant Settlement Period j , had the Past Notification Error not been rectified.

Section T1.3.6 (version 6.0)

Amend Section T1.3.6 as follows:

- 1.3.6 Data required from the SVAA for each Supplier are BM Unit Allocated Demand Volume.

Section C3.1.4 (version 2.0)

Amend Section C3.1.4 as follows:

- 3.1.4 BSCCo shall have the powers, functions and responsibilities assigned to it:
- (a) in the Implementation Scheme (including without limitation those provided in connection with the Pooling and Settlement Agreement);
and
 - (b) in the Pool Supplement.

Section M3.4.2 (version 4.0)

Amend Section M3.4.2 as follows:

- 3.4.2 For the purposes of this Section M, an "**authorisation notice**" is a notice authorising the ECVA, at any time while the notice is in force, to take the steps referred to in paragraph 3.2.6(b) and 3.3.1(b) in relation to a Trading Party.