

July 2002

MODIFICATION REPORT
MODIFICATION PROPOSAL P73-
Addition to Data Required from
Transmission Company when
Submitting a Claim for Manifest Error

Prepared by ELEXON on behalf of the Balancing
and Settlement Code Panel

| | |
|---------------------------|-----------------|
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I DOCUMENT CONTROL

a Authorities

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| | | | | |

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 |

c Related Documentation

| Reference | Document |
|-------------|---|
| Reference 1 | Initial Written Assessment for Modification Proposal P73 'Addition to Data Required from Transmission Company when Submitting a Claim for Manifest Error' |
| Reference 2 | Assessment Report for Modification Proposal P73 'Addition to Data Required from Transmission Company when Submitting a Claim for Manifest Error' |

Copies of these documents can be obtained from the ELEXON website at www.elexon.co.uk

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1 SUMMARY AND RECOMMENDATIONS

1.1 Recommendation

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal (P73) and the resultant findings of this report, the BSC Panel recommends that:

The Proposed Modification P73, be made and Implemented 15 working days after the day on which the Authority approves the Modification Proposal.

1.2 Background

Modification Proposal P73 was raised by Powergen. The Modification Proposal seeks to place an additional obligation on the Transmission Company when raising a Manifest Error Claim. It is proposed that the Transmission Company should identify the erroneous Bid-Offer Acceptance Number as well as the erroneous Bid-Offer Pair(s) which is currently identified when raising a Manifest Error Claim.

The Panel considered the Initial Written Assessment (Reference 1) for Modification Proposal P73 at its meeting of 18 April 2002 and agreed to submit the Modification Proposal to Assessment Procedure to be undertaken by the Modification Group that considered Modification Proposal P61.

The Modification Group considered Modification Proposal P73 on two occasions at a meeting on 25 April 2002 and the other by correspondence. The Assessment Report (Reference 2) for Modification Proposal P73 was submitted for consideration at the Panel meeting of 13 June 2002. The Panel agreed with the determinations of the Modification Group and decided to submit Modification Proposal P73 to the Report Phase. The recommendation was that the proposed Modification be approved with an implementation date of 15 working days following the Authority decision. A draft Modification Report was produced on the basis of this endorsement and used for consultation on 24 June 2002.

1.3 Rationale for Recommendations

The Panel notes that both the majority of the Modification Group, the majority of the Assessment responses and the majority of the Draft Report Consultation responses supported the Modification Proposal. Furthermore the Panel supports the view of the Modification Group that Modification Proposal P73 would better facilitate the achievement of applicable BSC Objective (d) (Promoting efficiency in the implementation and administration of the balancing and settlement arrangements).

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.

This Modification Report is addressed and furnished to the Gas and Electricity Markets Authority ('the Authority') and none of the facts, opinions or statements contained herein may be relied upon by any other person.

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

3 PURPOSE AND SCOPE OF THE REPORT

BSC Section F sets out the procedures for progressing proposals to amend the BSC (known as 'Modification Proposals'). These include procedures for proposing, consulting on, developing, evaluating and reporting to the Authority on potential modifications. This report has been drafted in accordance with the obligations set out in Section F of the Code.

4 HISTORY OF PROPOSED MODIFICATION

Modification Proposal P73 was raised by Powergen, on 5 April 2002. Modification Proposal P73 seeks to place an additional obligation on the Transmission Company when raising a Manifest Error Claim.

The Panel considered the Initial Written Assessment (Reference 1) for Modification Proposal P73 at its meeting of 18 April 2002 and agreed to submit the Modification Proposal to an Assessment procedure to be undertaken by the P61 Modification Group.

The Modification Group considered Modification Proposal P73 during two meetings on 25 April 2002 and one by correspondence, and recommended a change to the BSC that places an additional obligation on the Transmission Company to provide the Bid-Offer Acceptance Number when raising a Manifest Error Claim. The Modification Group identified an issue whereby the Transmission Company may be unable to provide the additional data requested by Modification Proposal P73. This scenario would occur in exceptional circumstances when there is a Transmission Company planned or unplanned outage. The Modification Group agreed that the consultation document be sent to BSC Parties to canvas opinion as to whether to include a provision for exceptional circumstances. The responses from BSC Parties indicated that a provision to cover exceptional circumstances should be included. The Modifications Group agreed with this view, as without the Bid-Offer Acceptance Number the claim would be invalidated.

The Assessment Report for Modification Proposal P73 was submitted for consideration at the Panel meeting of 13 June 2002. The Panel agreed with the determinations of the Modification Group and decided to submit Modification Proposal P73 to the Report Phase. The Panel recommended that the proposed Modification be approved with an implementation date of 15 working days after the date on which the Authority approves the Modification Proposal.

On the basis of the Assessment Report, the Panel supported the Modification Group assertion that Modification Proposal P73 better facilitates achievement of the Applicable BSC Objectives 3 (d), as follows:

- (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

A draft Modification Report for Modification Proposal P73 was issued for consultation on 24 June 2002. Ten responses, representing forty-nine Parties, were received.

On the basis of the support for Modification Proposal P73 the Panel recommends to the Authority that the Modification Proposal as set out in this report be made.

5 DESCRIPTION OF PROPOSED MODIFICATION

Modification Proposal P73 proposes that when the Transmission Company submits a claim for Manifest Error to the BSCCo (under Clause Q 7.2.2), in addition to identifying the Erroneous Bid Offer Pair(s), it should also identify the erroneous Bid/Offer Acceptance Number. This will aid the unambiguous identification of the Manifest Error.

6 LEGAL TEXT TO GIVE EFFECT TO THE PROPOSED MODIFICATION

Is attached as Appendices 1 and 2.

7 ASSESSMENT

The implementation of Modification Proposal P73 has the following impacts:

- The Balancing and Settlement Code, Section Q7.2.2.

8 SUMMARY OF REPRESENTATIONS

In response to the consultation on the draft Modification Report, ten replies (49 Parties) were received. In summary:

- eight respondents (47 Parties) supported the proposed Modification;
- two 'no comment' (one a 'no impact' from a BSC Agent).

The responses contained no new substantive arguments.

The complete text of the responses may be found in Section 9 of this document.

9 RESPONSES TO P73 DRAFT MODIFICATION REPORT CONSULTATION

Consultation issued 24 June 2002

Representations were received from the following parties:

| No | Company | File Number | No. Parties Represented |
|-----|------------------------------|-------------|-------------------------|
| 1. | IMServ | P73_MR_001 | 1 |
| 2. | TXU | P73_MR_002 | 21 |
| 3. | Scottish Power | P73_MR_003 | 5 |
| 4. | London Electricity | P73_MR_004 | 5 |
| 5. | Aquila Networks | P73_MR_005 | 1 |
| 6. | SEEBOARD Energy | P73_MR_006 | 1 |
| 7. | British Energy | P73_MR_007 | 3 |
| 8. | Scottish and Southern Energy | P73_MR_008 | 4 |
| 9. | Innogy | P73_MR_009 | 7 |
| 10. | British Gas Trading | P73_MR_010 | 1 |

P73_MR_001 – IMServ

We've been sent P73 to review for impact - There is actually no impact on IMServ at all.

regards

Steve Gristwood

Consultant
IMServ

P73_MR_002 – TXU

We confirm our support for and acceptance of the Reports conclusion and recommendation.

Phil Russell
TXU

P73_MR_003 – Scottish Power

P73 Draft Modification Report Comments

With reference to the above, I would refer you to our previous comments on the proposal.

In this consultation response, we wish to reiterate the view, which we have previously provided in support of Mod P73: Data Required from NGC when Submitting a Manifest Error Claim. We believe that P73 provides a further check upon the System Operator to ensure that Bid-Offer Acceptances are recorded accurately and erroneous manifest error claims are avoided, and therefore meets the Applicable BSC Objectives.

We have considered the legal drafting provided and agree that it is appropriate.

I trust that you will find these comments helpful. Nonetheless, should you require further clarification of any of the above, please do not hesitate to contact me.

Yours Sincerely,

Man Kwong Liu
Calanais Ltd.

For and on behalf of: - *Scottish Power UK Plc.; Scottish Power Energy Trading Ltd.; Scottish Power Generation Ltd.; Scottish Power Energy Retail Ltd.; SP Transmission Ltd.*

P73_MR_004 – London Electricity

P73 Report Comments

We agree with the Panel's recommendation that this modification should be approved.

Liz Anderson

LEG plc (representing London Electricity, South Western Electricity, Jade Power, Sutton Bridge Power and TXU West Burton Power Limited)

P73_MR_005 – Aquila Networks

Please find that Aquila Networks response to P73 Consultation on draft Modification Report is 'No Comment'.

regards
Rachael Gardener

Deregulation Control Group &
Distribution Support Office
AQUILA NETWORKS

P73_MR_006 – SEEBOARD

With regard to modification proposal P73 (Addition to Data Required from Transmission Company when Submitting a Claim for Manifest Error). We agree with recommendations within section 1.1 of draft modification report dated 24th June 2002.

Dave Morton
SEEBOARD Energy Limited

P73_MR_007 – British Energy

BE fully supports this change to the BSC which will have the effect of placing an obligation on the Transmission Company when raising a Manifest Error Claim to identify the erroneous Bid-Offer Acceptance Number as well as the erroneous Bid-Offer Pair(s) which is currently identified when raising a claim.

Rachel Ace

On Behalf of

British Energy Power and Energy Trading
Eggborough Power Ltd
British Energy Generation Ltd

P73_MR_008 – Scottish and Southern Energy

This response is sent on behalf of Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd. and SSE Energy Supply Ltd.

In relation to the Draft Modification Report for the proposed Modification P73 contained in your note of 24th June 2002; we agree with the suggested BSC Panel recommendation to the Authority that this Modification Proposal P73 be approved, and implemented within 15 days after the Authority approves the Modification Proposal.

Regards

Garth Graham
Scottish & Southern Energy plc

P73_MR_009 – Innogy

Response on behalf of Innogy plc, npower Limited, Innogy Cogen Trading Limited, Innogy Cogen Limited, npower Direct Limited, npower Northern Limited, npower Yorkshire Limited:

Support the modification.
No further comments to make.

Regards
Mark Thomas

Market Analysis Group
Trading & Asset Management
Innogy plc

P73_MR_010 – British Gas Trading

Thank you for the opportunity of responding to this modification. This response is on behalf of British Gas Trading. We support this modification proposal and believe it will better facilitate Applicable Objective d) Promoting the efficiency in the implementation and administration of the balancing and settlement arrangements

Yours faithfully

Danielle Lane
Transportation Analyst

APPENDIX 1 - LEGAL TEXT - Conformed Version

Q 7.2.2 Where the Transmission Company considers that it has made a Manifest Error in an Acceptance, the Transmission Company may, subject to paragraph 7.2.3, as soon as reasonably practicable after becoming aware of the error and in any event no later than 4 hours after the Bid-Offer Acceptance Time, make a claim to that effect by giving notice of such claim to BSCCo, which notice the Transmission Company identifying each Error Bid Offer Pair, ~~and shall also copy promptly copy such notice~~ to the Lead Party, identifying:

(a) each Error Bid/Offer Pair; and

(b) the relevant Acceptance, by specifying:

(i) subject to paragraph (ii), the Bid-Offer Acceptance Number;

(ii) where (at the time at which the Transmission Company gives such notice) the Bid-Offer Acceptance Number is not available to the Transmission Company (or no such number has been established), the Acceptance Data specified in paragraphs 5.3.1 (a) and (c).

APPENDIX 2 - LEGAL TEXT - Clean Version

- Q 7.2.2 Where the Transmission Company considers that it has made a Manifest Error in an Acceptance, the Transmission Company may, subject to paragraph 7.2.3, as soon as reasonably practicable after becoming aware of the error and in any event no later than 4 hours after the Bid-Offer Acceptance Time, make a claim to that effect by giving notice of such claim to BSCCo, which notice the Transmission Company shall also copy promptly to the Lead Party, identifying:
- (a) each Error Bid/Offer Pair; and
 - (b) the relevant Acceptance, by specifying:
 - (i) subject to paragraph (ii), the Bid-Offer Acceptance Number;
 - (ii) where (at the time at which the Transmission Company gives such notice) the Bid-Offer Acceptance Number is not available to the Transmission Company (or no such number has been established), the Acceptance Data specified in paragraphs 5.3.1 (a) and (c).