



**April 2002**

**INITIAL WRITTEN ASSESSMENT OF  
MODIFICATION PROPOSAL P73**

**Addition to Data Required from Transmission Company When  
Submitting a Claim for Manifest Error**

**Prepared By ELEXON Limited**

<b>Document Reference</b>	P0731B10
<b>Version no.</b>	1.0
<b>Issue</b>	2
<b>Date of Issue</b>	12 April 2002
<b>Reason for Issue</b>	For Panel Decision
<b>Author</b>	ELEXON Limited

## A DOCUMENT CONTROL

### a Authorities

Version	Date	Author	Signature	Change Reference
0.1	08/04/02	Performance Management		
1.0	08/0402	Trading Development		

Version	Date	Reviewer	Signature	Responsibility
0.1	11/04/02	Trading Development		
1.0	11/04/02	Trading Strategy		

### b Distribution

Name	Organisation
BSC Panel	Various

### c Intellectual Property Rights and Copyright

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## 1 SUMMARY

Modification Proposal P73 'Addition To Data Required From Transmission Company When Submitting A Claim For Manifest Error' was raised by Powergen UK on 5 April 2002. P73 seeks to place an obligation on The Transmission Company to provide additional information when raising a Manifest Error claim. The additional information required is the erroneous Bid-Offer Acceptance Number.

The Modification Proposal suggests that by placing an obligation on The Transmission Company to specify the additional data any ambiguity that currently arises will be removed when the Transmission Company raises a Manifest Error Claim. Modification Proposal P73 will also make the Code consistent with Change Proposal (CP) which is proposing to introduce a new BSCP 735 'Formalisation of the Manifest Error Process.' This CP is currently being circulated for Detailed Level Impact Assessment (DLIA). The draft Manifest Error BSCP places an obligation on the Transmission Company to specify the Bid-Offer Acceptance Number.

ELEXON recommends that P73 be submitted to a two month Assessment Procedure, in accordance with Section F2.6 of the Code. It is proposed that an Assessment Report be prepared and submitted to the Panel at their meeting on 13 June 2002.

It is proposed that the Assessment Procedure should be undertaken by the existing P61 Modifications Group (Ad Hoc Adjustments to Settlement involving material errors without resorting to Ad Hoc Settlement Runs).

## 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](http://www.elexon.co.uk)

### 3 DESCRIPTION OF THE MODIFICATION PROPOSAL

Modification Proposal P73 was raised by Powergen UK on 5 April 2002 to address an issue relating to the data items provided when a claim of Manifest Error is raised by the Transmission Company. The Manifest Error provision within the BSC is intended to allow Parties to correct erroneous Bid-Offer Acceptances within a short time period (4 hours). It could be argued that the current provisions allow the Transmission Company to register a claim without being specific about the Bid-Offer Acceptance Number to which it relates. Subsequent clarification could be construed as advantageous to the Transmission Company by effectively extending the 4-hour window. Such a facility is not available to other participants within the market and the Modification proposal seeks to remove this inconsistency and in doing so improve the efficiency of the decision making process in relation to Manifest Error Claims.

### 4 IMPACT ON BSC SYSTEMS AND PROCESSES

BSC System / Process	Potential Impact of Proposed Modification
Supplier Allocation Agent	There is a potential impact on the SAA Systems. Processing the Manifest Error Claim based upon the erroneous Bid-Offer Acceptance Number may result in more than one price being attributed to a Bid-Offer Pair. The SAA Systems do not have the capability to store more than one price for a Bid-Offer Pair (the replacement price for the erroneous Bid-Offer Acceptance and the existing price relating to the non-erroneous Bid-Offer Acceptance).

### 5 IMPACT ON DOCUMENTATION

#### 5.1 Impact on Balancing and Settlement Code

BSC Section	Potential Impact of Proposed Modification
Section Q: Balancing Mechanism Activities	Section Q7.2.2. Specifies the details required when the Transmission Company raises a Manifest Error Claim.
Section Q: Balancing Mechanism Activities	Section Q7.5 Specifies how adjustments to Bid or Offer Prices are determined and will need to be amended dependent upon the Modification Group's recommendation on how the Modification is implemented.

## 5.2 Impact on Code Subsidiary Documents

Code Subsidiary Document	Potential Impact of Proposed Modification
BSC Procedures	New BSCP that has not yet been implemented 'Formalisation of the Manifest Error Process' being progressed under CP735. There are interactions between the Modification Proposal P73 and CP735 to ensure the consistency of information between the Code and the proposed BSCP.

## 6 PROCESS AND TIMETABLE FOR PROGRESSING THE PROPOSAL

The issues for P73 are sufficiently well defined to recommend the use of the Assessment Procedure.

ELEXON recommends that P73 be submitted to a two-month Assessment Procedure and an Assessment Report is prepared and submitted to the Panel at their meeting on 13 June 2002.

The Assessment Procedure should be undertaken by the existing P61 Modification Group.

## 7 ISSUES

ELEXON believe there is one main issue that this modification raises the issue of rectification of a Manifest Error Claim in accordance with Q7.5 of the Code:

- The TDC makes adjustments to Bid or Offer Prices in accordance with Section Q7.5 of the Code. The amendments are made to all the Bid-Offer Acceptances in the Error Bid-Offer Pair. The Central Systems are not capable of storing more than one price per Bid-Offer Pair and the Modifications Group will need to consider the way to progress this issue during assessment.

<b>Modification Proposal</b>	<b>MP No: 73</b> <i>(mandatory by BSCCo)</i>
<b>Title of Modification Proposal</b> <i>(mandatory by proposer):</i> Addition To Data Required From Transmission Company When Submitting A Claim For Manifest Error	
<b>Submission Date</b> <i>(mandatory by proposer):</i> 05 April 2002	
<p><b>Description of Proposed Modification</b> <i>(mandatory by proposer):</i></p> <p>When the Transmission Company submits a claim for Manifest Error to the BSCCo, under Clause Q 7.2.2 it is required to identify the Erroneous Bid Offer Pair(s). It is proposed that in addition, it should also identify the erroneous Bid/Offer Acceptance which led to the erroneous Bid/Offer Pairs. This will aid the unambiguous identification of the Manifest Error.</p> <p>This could be achieved by inserting wording into Clause Q 7.2.2 so that it reads as below</p> <p>"Where the Transmission Company considers that it has made a Manifest Error in an Acceptance, Transmisison 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, identifying the erroneous Acceptance by the Bid-Offer Acceptance Number and each Error Bid/Offer Pair, and shall promptly copy such notice to the Lead Party."</p> <p>There is no requirement to change the wording in Clause Q 7.2.1, since a Party other than the Transmission Company is only able to submit a Manifest Error Claim based on a Bid-Offer Pair of prices.</p>	
<p><b>Description of Issue or Defect that Modification Proposal Seeks to Address</b> <i>(mandatory by proposer):</i></p> <p>The proposed modification seeks to ensure that clear, unambiguous information is submitted for each Manifest Error Claim. This should reduce the amount of time which has to be spent determining whether such a Claim is valid, since if the wrong Bid/Offer Acceptance number is submitted, the Claim must be corrected within the 4 hour timescale provided under the BSC.</p> <p>The purpose of manifest error provisions is to allow parties to correct Bid-offer acceptances where parties realise a mistake has been made within a short time period.</p> <p>This modification proposal will bring the BSC into line with CP 735, which is introducing a Balancing and Settlement Code Procedure for the Processing of Manifest Error Claims, and is currently going through the consultation process</p>	
<p><b>Impact on Code</b> <i>(optional by proposer):</i></p> <p>Change in wording of Q 7.2.2 as shown above</p>	
<p><b>Impact on Core Industry Documents</b> <i>(optional by proposer):</i></p>	
<p><b>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties</b> <i>(optional by proposer):</i></p>	

<b>Modification Proposal</b>	<b>MP No: 73</b> <i>(mandatory by BSCCo)</i>
<b>Impact on other Configurable Items</b> <i>(optional by proposer):</i>	
<b>Justification for Proposed Modification with Reference to Applicable BSC Objectives</b> <i>(mandatory by proposer):</i> The Applicable BSC Objectives are set out in paragraph 3 of Condition 7A of the Transmission Licence, as follows: (a) The efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence; (b) The efficient, economic and co-ordinated operation by the Transmission Company of the Transmission System; (c) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements. The proposal reinforces CP 735 in removing ambiguity in how the Transmission Company should submit claims for Manifest Error. This will not only help the Transmission Company in efficiently operating its system but will ensure time and money spent by Elexon and the industry considering corrected claims can be reduced, thus also promoting efficiency in the administration of the balancing and settlement arrangements.	
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