

<b>Modification Proposal</b>	<b>MP No: P58</b> <i>(mandatory by BSCCo)</i>
<b>Title of Modification Proposal</b> <i>(mandatory by proposer):</i> Disapplication of Volume Notifications Relating to a Defaulting Party	
<b>Submission Date</b> <i>(mandatory by proposer):</i> 03 December 2001	
<b>Description of Proposed Modification</b> <i>(mandatory by proposer):</i> This Modification Proposal is being raised to allow the Panel to determine that when a Default has occurred in accordance with Section H of the Code, Volume Notifications can be disappplied from such time (not to be effective in respect of Settlement Periods for which Gate Closure has taken place prior to the notice of disapplication) as the Panel so determines, on or after the Default occurring.	
<b>Description of Issue or Defect that Modification Proposal Seeks to Address</b> <i>(mandatory by proposer):</i> Sections H3.2.2 (a) and (b) allow the BSC Panel, on the occurrence of a Default, to disapply Energy Contract Volume Notifications or Metered Volume Reallocation Notifications that were submitted prior to the time that the Panel notified the Defaulting Party of its Default.  However in certain circumstances there may be a time delay between the Panel notifying the Defaulting Party of the Default and the determination being made that this clause should be implemented. For example on 30 November 2001, the Panel gave notification that ECTRL and EGPTL were in Default under Section H3.1.1 (iv) of the Code. At a later meeting on Sunday 2nd December the Panel produced a resolution that Energy Contract Volume Notifications and Metered Volume Reallocation Notification submitted prior to the Panel notification of the 30th November, would be disappplied from 15:00 hours on Tuesday 4th December. This resolution meant that Volume Notifications submitted between 16:00 on Friday 30th November and 15:00 on Tuesday 4 <sup>th</sup> December 2001 would not be disappplied. At the same time new Volume Notifications relating to the Defaulting Party could not be submitted for Settlement Periods after 15:00 on Tuesday 4th December 2001. Therefore Trading Parties could be left with Volume Notifications that could not be disappplied.  In addition, because two different times were referred to in the notice, the resolution was unclear as to whether the disapplication would be retrospective in respect of Settlement Periods for which Gate Closure has taken place between the time of the Default notice and the time of the notice of disapplication and for which Metered Volume Reallocation Notifications were submitted prior to the time of the default notice.  Implementation of this Modification Proposal would resolve the issues detailed above.	
<b>Impact on Code</b> <i>(optional by proposer):</i> This Proposal will require changes to be made to Section H3.2.2 (a) and (b) of the Code relate to Default	
<b>Impact on Core Industry Documents</b> <i>(optional by proposer):</i> N/A	
<b>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties</b> <i>(optional by proposer):</i>	
<b>Impact on other Configurable Items</b> <i>(optional by proposer):</i>	

## Modification Proposal

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**Justification for Proposed Modification with Reference to Applicable BSC Objectives** (mandatory by proposer):

This Modification Proposal would better facilitate the objective in Condition 7A (3) (d) of the Transmission Licence, promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

The proposal will promote efficiency by allowing Trading Parties to better manage their imbalance volumes and to prevent Volume Notifications relating to the Defaulting Party being left permanently in the Central Systems.

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**Attachments: NO**

**If Yes, Title and No. of Pages of Each Attachment:**