

February 2002

ASSESSMENT REPORT
MODIFICATION PROPOSAL P39 –
Improvements to the
Administration of the Payment
Default Process

Prepared by the ISG Modification Group on behalf
of the Balancing and Settlement Code Panel

Document Reference	40/015
Version no.	1.0
Issue	Final
Date of Issue	8 February 2002
Reason for Issue	For Decision
Author	ELEXON

I DOCUMENT CONTROL

a Authorities

Version	Date	Author	Signature	Change Reference
0.1	6/2/02	Sarah Parsons		Initial draft for internal review
1.0	8/2/02	Sarah Parsons		Final report issued to the Panel and Modifications Group

Version	Date	Reviewer	Signature	Responsibility

b Distribution

Name	Organisation
BSC Panel	
BSC Parties	
BSC Agents	
The Authority	
National Electricity Consumers Council	
Core Industry Document Owners	
BSC Website	

c Intellectual Property Rights and Copyright

This document contains materials the copyright and other intellectual property rights in which are vested in ELEXON Limited or which appear with the consent of the copyright owner. These materials are made available for you to review and to copy for the purposes of the establishment, operation or participation in electricity trading arrangements in Great Britain under the BSC. All other commercial use is prohibited. Unless you are a person having an interest in electricity trading in Great Britain under the BSC you are not permitted to view, download, modify, copy, distribute, transmit, store, reproduce or otherwise use, publish, licence, transfer, sell or create derivative works (in whatever format) from this document or any information obtained from this document otherwise than for personal academic or other non-commercial purposes. All copyright and other proprietary notices contained in the original material must be retained on any copy that you make. All other rights of the copyright owner not expressly dealt with above are reserved.

II CONTENTS TABLE

I	Document Control.....	2
a	Authorities	2
b	Distribution.....	2
c	Intellectual Property Rights and Copyright	2
II	Contents Table	3
1	Summary and Recommendations	5
1.1	Recommendations.....	5
1.2	Background.....	5
1.3	Rationale for Recommendations	6
2	Introduction	6
3	Modification Group Details	6
4	Description and Assessment Against the Applicable BSC Objectives.....	7
4.1	Original Modification Proposal.....	7
4.1.1	Payment Timescales.....	7
4.1.2	Payment Default Thresholds	8
4.1.3	Letters of Credit.....	9
4.1.4	Payment transfers.....	9
4.2	Final Modification Proposal	9
4.2.1	Payment Timescales.....	9
4.2.2	Payment Default Thresholds	9
4.2.3	Letters of Credit.....	10
4.2.4	Payment transfers.....	10
4.2.5	Conclusion.....	11
4.3	Assessment Against the Applicable BSC objectives.....	11
4.3.1	Payment Timescales.....	11
4.3.2	Payment Default Thresholds	11
4.3.3	Letters of Credit.....	11
4.3.4	Payment transfers.....	11
5	Impact on BSC and BSCCo Documentation	12
5.1	BSC.....	12
5.2	Code Subsidiary Documents.....	12
5.2.1	BSCP301	12
5.2.2	Funds Administration Agent (FAA) Service Description.....	12
5.3	BSCCo Memorandum and Articles of Association	12
6	Impact on BSC Systems	12
7	Impact on Core Industry Documents and Supporting Arrangements.....	13
8	Impact on ELEXON.....	13
9	Impact on Parties and Party Agents.....	13
9.1	Parties.....	13

9.2	Party Agents.....	14
10	Legal Issues.....	14
11	Summary of Representations	14
11.1	First Consultation.....	14
11.1.1	Payment Timescales.....	14
11.1.2	Payment Default Thresholds	15
11.1.3	Payment Transfers.....	15
11.2	Second Consultation	15
12	Summary of Transmission Company Analysis	16
13	Project Brief.....	16
Annex 1 – Proposed Text to Modify the BSC.....		17
Annex 2 – BSC Agent Impact Assessments.....		23
Annex 3 – Representations Made By Parties – First Consultation.....		25
Annex 4 – Representations Made By Parties – Second Consultation		26
Annex 5 – Payment Default Threshold Analysis		27

1 SUMMARY AND RECOMMENDATIONS

1.1 Recommendations

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal during the Assessment Procedure, and the resultant findings of this report, the Modification Group recommends to the BSC Panel that:

- **The P39 Modification Proposal should proceed to the Report Phase;**
- **The Draft Modification Report should contain a recommendation to the Authority that the Proposed Modification be approved, with a proposed “calendar day” implementation effective from 12 August 2002.**

1.2 Background

The BSC Panel raised Modification Proposal P39, on the recommendation of the BSCCo, on 20 September 2001. This was raised in accordance with Section F2.1.1 (d) of the Code, on the basis that the proposal would better facilitates the objective in Condition C3 (3) (d) of the Transmission Licence, i.e. promoting efficiency in the implementation and administration of the balancing and settlement arrangements. The proposal seeks to revise the payment procedure (section N8 of the Code) and the payment default procedure (section N9 of the Code) to remove inconsistencies between the Code and the banking procedures. Section 5.3 of this report describes the Modification Proposal in detail.

The Panel agreed that Modification Proposal P39 should be submitted to the Definition Procedure (as defined in section F2.5 of the Code). This Definition Procedure was primarily carried out by ISG members who were invited to form the Modification Group.

The Definition Report was presented to the Panel at the meeting on 18 October 2001. The Panel endorsed the Modification Group's recommendation to progress the proposal to the Assessment Procedure (as defined in section F2.6 of the Code), and that the Assessment Report should be presented to the Panel meeting on 17 January 2002.

As part of the Assessment Procedure, legal text was drafted and issued for consultation. Following the consultation, further detailed legal and financial issues came to light. The Modification Group therefore agreed that additional assessment of these aspects was required. At the Panel meeting on the 17 January 2002 the Panel agreed that the Assessment Procedure be extended by one month to allow these issues to be fully investigated.

Details of the consultation and assessment undertaken during the Assessment Procedure can be found in the following sections of this report:

- Section 4 describes in detail Modification Proposal P39. It also discusses the extent to which the proposal would better facilitate the achievement of the Applicable BSC Objectives.
- Sections 5 to 9 assess the impact of P39 on the Code and Code Subsidiary Documents; on BSC Systems; on Core Industry Documents; on ELEXON; and on Parties and Party Agents.
- Section 11 summarises the representations made by parties to the consultations undertaken during the Assessment Procedure, and the views and comments of the Modification Group in respect thereof.

1.3 Rationale for Recommendations

The Modification Group's rationale for recommending that Modification Proposal P39 would better facilitate the Applicable BSC Objective in Condition C3 (3) (d) of the Transmission Licence, i.e. promoting efficiency in the implementation and administration of the balancing and settlement arrangements, are as follows:

Firstly the payment timescales currently documented in the Code do not reflect banking practices. Therefore it is not practical for BSC Parties to have to adhere to these timescales. By modifying the timescales, the FAA will be able to administer the payment process more efficiently. Also Parties will not be bound by the Code to meet timescales that are outside of their control.

The second reason for recommending that P39 be approved is that it will allow the FAA to call on Credit Cover earlier if the Party is already in default. Again, this will allow the FAA to manage the payment default process more efficiently and should minimise the use of the borrowing facility.

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 MODIFICATION GROUP DETAILS

This Assessment Report has been prepared by the ISG Modification Group. The BSC Panel meeting on 20th September 2001 agreed that the standard Modification Group Terms of Reference should apply. Additionally, the Panel specified that the Modification Group should consider:

- Enforcing compliance with the current payment timetables documented in the Code;
- Introducing a requirement whereby all parties should hold bank accounts at the BSC Bank.

The Panel suggested that whilst the core Modification Group should consist of the ISG, additional financial expertise should be sought. ELEXON have therefore invited representatives from the FAA to attend the Modification Group Meeting. Also, Richard Humphreys/Mike Bishop from the Finance Department within ELEXON has joined the Modification Group.

Members and attendees at the Modification Group meetings on the 2nd and/or 30th of October were as follows:

Name	Organisation	Role
Chris Rowell *	ELEXON	Chairman
Duncan Jack *	St. Clements Services	Mods Group Member
Ben Willis *	Yorkshire Electricity	Mods Group Member

Martin Mate	British Energy	Mods Group Member
Geoff Allen *	Powergen	Mods Group Member
Lisa Waters	Dynegy	Mods Group Member
Maurice Smith	Campbell Carr	Mods Group Member
Ian Moss	APX	Mods Group Member
Nigel Brooks	NGC	Mods Group Member
Richard Humphries/ Mike Bishop *	ELEXON	Mods Group Member
Jerome Williams *	Ofgem	Mods Group Member
Paul Davis *	FAA	Attendee
Martin Wiles	FAA	Attendee
Martin Poole	FAA	Attendee
Sarah Hooley *	FAA	Attendee
Sarah Parsons *	ELEXON	Attendee

Please note attendees at the Modification Group Meeting on the 22nd January 2002 have been marked with an asterix.

It should be noted that all meetings of the Modification Group have (with the agreement of the Chairman and Members) been open to all Parties, and all attendees have been free to participate in the discussions.

4 DESCRIPTION AND ASSESSMENT AGAINST THE APPLICABLE BSC OBJECTIVES

4.1 Original Modification Proposal

Modification Proposal P39 seeks to improve the administration of the payment and payment default process (as described in sections N8 and N9 of the Code) and highlights four areas of change within the Code. The Modification Group discussed each of these at the meetings on 2nd and 30th of October 2001.

4.1.1 Payment Timescales

The timescales within the Code, relating to the transfer of funds, state that Parties should ensure payment is credited to the Collection Account by 12:00 on the relevant Payment Date. The FAA should determine whether the required amounts have been credited to the Collection Account by 13:00 and ensure that these are then remitted to the Clearing Account by 13:30. These timescales are not being met.

The Modification Group agreed that there were two ways that this non-compliance could be resolved. Firstly ELEXON could enforce compliance, in which case each party would be responsible for ensuring that their funds are transferred by 12:00. However, banks can only guarantee that payment made by BACs or CHAPs will be made on a particular day. They will not guarantee that payment is made by a

certain time within that day. Therefore the FAA will not find out whether all payments have been received until between 15:00 and 17:30 hours depending on the payment deadline for the relevant banks. The only way for parties to ensure that payment is received by 12:00 would be to transfer the funds on the previous day. It was noted that this problem exists regardless of the bank being used. Therefore introducing a requirement for all parties to use the BSC bank would not resolve the issue. The Modification Group agreed that enforcing compliance was not a reasonable option.

The second option, as described in the Modification Proposal, would be to modify the Code. It was suggested that the specific timescales should be removed from the Code and instead Section N8 would state that payment should be made on the Payment Date and the FAA will check that all payments are received by Close of Banking Business. It was noted that a suitable definition for Close of Banking Business would be required.

4.1.2 Payment Default Thresholds

The second proposed change relates to the introduction of payment default thresholds. At present all defaults should be progressed in the same way, regardless of the size of the default. The Modification Group agreed that the Code should be modified to refer to payment thresholds, and that the detailed procedures relating to each of the different thresholds would be documented within a new BSCP and BSCCo/FAA working procedures.

The suggested thresholds were as follows:

- A default notice would be issued on D+1 to any party with a cumulative outstanding debt of greater than [£250,000].
- A default notice would be issued on D+7 to any party with a cumulative outstanding debt of between [£50,000 and £250,000].
- A default notice would be issued on D+30 to any party with a cumulative outstanding debt of less than [£50,000].

In response to consultation comments received during the Definition Procedure, these thresholds were re-assessed. At the meeting on the 30 October 2001, the Modification Group agreed the revised thresholds detailed below:

- A default would be progressed by D+2 for any party with a cumulative outstanding debt of greater than [£250,000].
- A default would be progressed by D+7 for any party with a cumulative outstanding debt of between [£20,000 and £250,000].
- A default would be progressed by D+15 for any party with a cumulative outstanding debt of less than [£20,000].

These thresholds have been assessed against the level of actual payment defaults. Annex 5 shows each occurrence of non payment since 26th April 2001 (the Payment Date for 27th March 2001). It should be noted that the majority of these non payments have been rectified within the timescales set out above and therefore if the above payment default thresholds were to be introduced, there would be a reduced requirement to call on the relevant Parties Credit Cover, or issue default notices. It should also be noted that the number of late payments has been reducing since Go-live.

4.1.3 Letters of Credit

The modification also raised an issue that funds are not available immediately when a Letter of Credit is called, and that the payment default procedure should take this into account. The Modification Group agreed that this should be considered when determining the procedures for each default threshold.

It was agreed that if the total outstanding amount being used within the Borrowing Account becomes greater than £4m (the total borrowing facility in accordance with section N4.9.1 of the Code) then the FAA would call on all relevant Letters of Credit immediately, starting with the Letter of Credit for the party with the largest default. The FAA, via the BSCCo, may also seek to gain agreement from the Panel to increase the borrowing facility (up to a maximum amount of £10m in accordance with section N4.9.1 of the Code). Extra interest charges would be incurred for an unauthorised overdraft limit and these would be charged to the relevant parties. If the £4m limit has not been exceeded then the timescales stated above for the different default thresholds would be used to decide when to call on Letters of Credit.

4.1.4 Payment transfers

The final area of change raised in the Modification relates to the use of banks which do not have offices in the UK. The Modification Group agreed that that an explicit statement should be added to the Code stating that the BSCCo and their agents will not pay any bank charges for payment transfers.

4.2 Final Modification Proposal

Legal text for P39, as defined above, was issued for industry consultation as part of the Assessment Procedure. Following the consultation, further legal and financial issues came to light. The Modification Group met again on 22 January 2002 specifically to discuss these legal and financial concerns. The following sections record the discussions and conclusions of the Modification Group at this meeting:

4.2.1 Payment Timescales

There are a number of steps for the Funds Administration Agent (FAA) to carry out on each Payment Date. Timings of these actions are defined in section N8 of the Code. The Code currently specifies a series of times across the day at which actions will be undertaken. In practice Parties are unable to guarantee the specific time of day that such transfers are carried out. Furthermore the deadline for payment to a Collection Bank is earlier than the deadline for payment to the BSC Bank, reflecting the time for the relevant Collection Bank to transfer the funds to the BSC Bank.

The Modification Group agreed that a single payment deadline of 16:00 hours should be specified in the Code as this is the latest time that payment can be made to the Collection Banks to allow it to be transferred to the BSC Bank on the same day. It is the responsibility of the relevant Party to ensure that payment is received by this time. The Modification Group noted that whilst a later time could be specified for the BSC Bank, introducing two separate deadlines would not aid clarity and therefore, the deadline should be the same for all Parties.

4.2.2 Payment Default Thresholds

The initial work undertaken by the Modification Group has focused on establishing a series of payment default thresholds with associated maximum timescales that would be used to determine when actions must be made. Additionally, discretion would be given to ELEXON to initiate earlier action.

The legal advice raised two main concerns. Firstly, that discretion to enable ELEXON to shorten the periods used for the payment default thresholds is imprudent as this could leave ELEXON open to legal challenge. Secondly that should this course of action be followed then, the relevant amounts and periods used for the payment default thresholds should be detailed in the Code, rather than the subsidiary documents. Specifying these within the Code differed from the Modification Group view and the responses received through the previous industry consultation.

In addition to the legal advice, a potential issue relating to VAT was identified. The current agreement with Customs and Excise, that payments under section N are Standard Rated for VAT purposes, is based on the existing provisions of the Code. Therefore it was observed that prior to any changes being, confirmation would need to be obtained that the current agreement will not be affected.

In light of this advice, the Modification Group agreed that exercising discretion would prove impossible and that payment default thresholds should not be included in this modification as, without the discretionary element, they could be simply seen as a reason for Parties to defer payment to a later date. It was agreed that ELEXON should instead ensure that Parties are making payments on time and that all late payments are treated in accordance with the Code, as currently drafted. Although this may increase the administration costs in the short term, it is envisaged that this approach will lead to a reduction in late payment and therefore save money in the long term. Furthermore it was felt that striving for compliance, and avoiding latitude, would better protect Parties collective interests in the case of a Defaulting Party.

4.2.3 Letters of Credit

The original modification raised the issue of the time taken to process Letters of Credit. It stated that the Code should include provisions for Letters of Credit to be called on the Payment Date (if payment hasn't been received) so that the funds are available on D+1.

Experience relating to the Enron Capital and Trade Resources Ltd default has shown that the time taken to receive funds following a Letter of Credit being called could be significantly longer than one Business Day. This is due to the International Chamber of Commerce Uniform Customs and Practice for Documentary Credits, which states that the issuing bank has a reasonable time to consider any claim. Therefore, in practise, funds may not be received for a week after the Letter of Credit is called.

The Modification Group agreed that the current D + 2 provision for a Party initially entering default should be retained, but that sections N9.2.1 and N9.2.2 should be modified to allow Credit Cover to be called on the affected date once a party is already in default (in accordance with section H of the Code). This proposal would minimise the use of the borrowing facility when a Party stops paying but continues to accumulate Trading Charges.

4.2.4 Payment transfers

The final area of change raised in the modification relates to the use of banks which do not have branches in the UK. The Modification Group initially suggested that an explicit statement should be added to the Code stating that the BSCCo and their agents will not pay any bank charges for additional payment transfers.

The BSCCo's legal advisors believe that it is not necessary to include an explicit statement regarding foreign transfer charges in the Code as this is covered by the existing requirement to make payment in full to the BSC Clearer (section N6.7.1 of the Code). Parties must therefore arrange for the payment of any transfer charges separately. Legal advice is that the inclusion of an explicit statement regarding payment transfers might undermine the general requirement that payment in full is required.

In the absence of an explicit statement being inserted into the Code, the Modification Group agreed that ELEXON would issue a statement to ensure that all Parties are aware of the obligation to make full payment and that the BSCCo are not liable for foreign transfer charges. It was also suggested that this should be added to BSCP301. These actions will be undertaken outside the modification process.

4.2.5 Conclusion

Following the Modification Group meeting on the 22 January 2002, the legal text was revised and issued for further industry consultation. The consultation responses were broadly supportive of the Modification Group's views, with no new issues raised. These have been attached as Appendix 4 and summarised in section 11.2.

The Modification Group felt that these changes do not represent the introduction of an alternative modification, rather that they are an evolution of the original proposal based on the assessment that has been undertaken. This view is supported by legal advice.

4.3 Assessment Against the Applicable BSC objectives

Modification Proposal P39 was raised by the BSC Panel on the recommendation of the BSCCo, in accordance with section F2.1.1 (d). The proposal would better facilitate the objective in Condition 3 (3) (d) of the Transmission Licence, Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

4.3.1 Payment Timescales

The proposal to modify the timescales relating to payment of Trading Charges to account for the time delay in processing funds will allow the operating practices to reflect the process set out in the Code. This will prevent ELEXON from having to administer unavoidable defaults.

4.3.2 Payment Default Thresholds

The original view of the Modification Group was that the introduction of payment default thresholds would allow the FAA to handle late payments more efficiently, without the need to draw on Credit Cover and issue default notices for insignificant default amounts.

However in light of the legal advice, the Modification Group have now agreed that all payment defaults should be progressed in the same way, regardless of the size of the default. The Modification Group believes that this may increase administration costs in the short term. However in the long term it should promote timely payment and therefore increase the efficiency in the administration of the payment default process.

4.3.3 Letters of Credit

The Modification Proposal also allows Credit Cover to be called immediately if a Party is already in default (in accordance with section H of the Code). The Modification Group believe that this will allow the FAA to process Payment Defaults more effectively, as they will no longer be required to wait two days before calling on a defaulting party's Credit Cover.

4.3.4 Payment transfers

The original view of the Modification Group was that adding an explicit statement to the Code relating to foreign transfer charges would increase efficiency as it would be clear to all Parties that they are liable for any additional charges.

However, in light of legal advice, the Modification Group have now agreed that an explicit statement should not be added to the Code as this may undermine the general requirement that payment in full is required. This, in turn, could lead to more explicit statements being required relating to other specific charges.

5 IMPACT ON BSC AND BSCCO DOCUMENTATION

5.1 BSC

Draft text to implement Modification Proposal P39 can be found in Annex 1. However in summary, the changes required are as follows:

- Replacement of the payment timescales in section N8 with a single deadline for payment at 16:00.
- Modification of the FAA responsibilities in section N8 to allow the FAA to estimate the amount of money likely to be received on any Payment Date, and to issue payment to BSC Creditors accordingly.
- Addition of paragraphs N9.2.4 and N9.2.5 to allow the FAA to call on a Defaulting Party's Credit Cover on the affected date.

It should be noted that the attached text might be modified slightly in light of responses from the consultation and FAA impact assessment. The final text will be issued as part of the consultation during the Report Procedure.

5.2 Code Subsidiary Documents

5.2.1 BSCP301

Section 3.3 of BSCP301 would need to be updated to reflect the new payment timescales detailed in the Code.

5.2.2 Funds Administration Agent (FAA) Service Description

Several changes will be required to the FAA Service Descriptions to ensure that the obligations under section N of the Code and BSCP301 are met.

5.3 BSCCo Memorandum and Articles of Association

No changes would be required to the BSCCo Memorandum and Articles of Association.

6 IMPACT ON BSC SYSTEMS

The Modification Group believes that Modification Proposal P39 will not require changes to any BSC system as the required changes are procedural.

Annex 2 contains the Impact Assessment received from the FAA, who are the only BSC Agent to be affected by P39. It should be noted that the comments raised by the FAA relating to the draft legal

text could be considered prior to the Report Procedure consultation, should the Panel agree with the recommendation to approve the proposal.

7 IMPACT ON CORE INDUSTRY DOCUMENTS AND SUPPORTING ARRANGEMENTS

The Modification Group believes that Modification P39 would not require amendments to Core Industry Documents. In particular, none of the following documents would be affected:

- Grid Code
- Master Connection and Use of System Agreement (MCUSA)
- Supplemental Agreements
- Ancillary Services Agreements (ASAs)
- Master Registration Agreement (MRA)
- Data Transfer Services Agreement (DTSA)
- British Grid Systems Agreement (BGSA)
- Use of Interconnector Agreement
- Pooling and Settlement Agreement (PSA)
- Settlement Agreement for Scotland (SAS)
- Distribution Codes
- Distribution Connection Agreements

8 IMPACT ON ELEXON

It is envisaged that there will be no increase or decrease in BSC costs should Modification Proposal P39 be implemented as the proposal is simply formalising the current working procedures.

Should Modification Proposal P39 be rejected, there may be an increase in BSC costs due to increased administration time and resource required to deal with unavoidable payment defaults.

Also the proposal would have no impact on BSCCo systems although internal procedures would need updating to fully reflect the Code and BSCP301.

9 IMPACT ON PARTIES AND PARTY AGENTS

9.1 Parties

The Modification Group believes that there will be no impact on BSC Parties should Modification Proposal P39 be implemented as the proposal is simply formalising the current working procedures.

Should Modification Proposal P39 be rejected, BSC Parties may need to change their payment procedures. For example it may be necessary for parties to transfer funds a day early to ensure that they are credited to the relevant Collection Account by 12:00 hours on the relevant Payment Date.

9.2 Party Agents

The Modification Group believes that Modification Proposal P39 will not require changes to Party Agent systems or processes.

10 LEGAL ISSUES

Several legal issues have been raised during the P39 Assessment Procedure. These issues were discussed at the Modification Group meeting on the 22 January 2002. Section 4.2 describes each of the issues and the proposed resolution. The BSCCo's legal advisors have confirmed that the revised legal drafting addresses their concerns.

11 SUMMARY OF REPRESENTATIONS

11.1 First Consultation

Following the Modification Group meeting on 30 October 2001, draft legal text together with a proforma summarising the issues, on which responses were sought, was issued for assessment and consultation. Seven responses to the consultation were received and the responses are reproduced in Annex 3.

This section summarises the responses received, and the views of the Modification Group on the issues raised.

11.1.1 Payment Timescales

The first consultation questions related to the removal of payment timescales from the Code and the addition of a statement indicating that payments should be made on the Payment Date with the FAA checking that payments have been made at the Close of Banking Business. All of the respondents agreed that the draft legal text reflected this requirement.

However one respondent did raise a concern that section N8.1.1 did not refer to Close of Banking Business as it just states that Parties should ensure that payment is credited to the relevant Collection Account on that Payment Date.

There were also comments relating to the definition of Close of Banking Business including a suggestion that it should be non time specific due to the absence of uniform practice amongst UK banks.

Finally one Party raised a concern regarding the number of processes that need to be completed by Close of Banking Business.

11.1.2 Payment Default Thresholds

The next two consultation questions relate to the concept of default thresholds. All of the respondents agreed with the revised default thresholds and agreed that the draft BSCP accurately reflected the changes required.

One Party noted that that these are maximum thresholds and that ELEXON can take action earlier if particular circumstances dictate. The Modification Group agreed that this was an important point to prevent Parties regularly paying late or Parties building up large unsecured defaults.

One Party also noted that these thresholds should be reviewed after implementation to assess their appropriateness.

11.1.3 Payment Transfers

Finally all respondents agreed that the legal text accurately reflected the requirement for an explicit statement relating to the liability for additional payment transfer charges.

11.2 Second Consultation

As described in section 4.2 several legal and financial issues were raised following the initial consultation. The Modification Group therefore met again on the 22 January 2002 and agreed some revisions to the modification and the legal drafting. This revised drafting was also issued for industry consultation.

Ten responses to the consultation were received and the responses are reproduced in Annex 4. The responses have been summarised below:

11.2.1 Assessment Against BSC Objectives

All of the respondents agreed that the final Modification Proposal better facilitates the BSC objective in Condition C3 (3) (d) of the Transmission Licence, i.e. promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

One respondent did state that the avoidance of investigation and action in relation to small amounts remaining unpaid would probably better achieve the BSC Objectives. Therefore they would like to see threshold levels together with a clause protecting ELEXON from legal challenge in respect of exercising its discretion. This argument has however been considered and rejected by the Modification Group.

11.2.2 Assessment of Legal Text

All respondents also agreed that the legal text accurately reflects the required changes.

One Party noted that it was not clear that the concern regarding VAT had been addressed. This concern related to the introduction of payment default thresholds, which could be seen as allowing Parties to defer payment. The removal of payment default thresholds from the modification has therefore nullified this concern.

Another respondent stated that the level of cross-referencing of clauses used in the drafting does not allow the intent and effect to be easily established. These concerns will be taken into accounts when the final text is drafted.

It should be noted that the FAA also raised some concerns regarding the legal drafting as part of their impact assessment. These points will be taken into consideration when the final drafting is produced.

12 SUMMARY OF TRANSMISSION COMPANY ANALYSIS

The Modification Group believes that implementation of Modification Proposal P39 will have no impact on the Transmission Company's systems or processes.

13 PROJECT BRIEF

ELEXON have prepared a project brief which sets out the changes required to carry out the improvement in the administration of the payment default process. The key points of this can be summarised as follows:

- The FAA has provided costs for the implementation of the modification. The FAA estimates that the development would cost approximately £2,100. There are no additional monthly operation and maintenance costs.
- ELEXON have confirmed that P39 can be incorporated in the Release 2 Project with a proposed "calendar day" implementation effective from 12 August 2002. This will not impact the delivery of any planned Release 2 products and there will be no incremental costs, as these will be absorbed within the current level of resources in the project.

ANNEX 1 – PROPOSED TEXT TO MODIFY THE BSC

All text included in Annex 1 relates to section N of the Code

4. BANKING ARRANGEMENTS

4.6 Reserve Account

4.6.3 The FAA on behalf of the BSC Clearer shall pay or repay the following amounts at the times indicated from the Reserve Account to each Payment Party:

- (a) (subject to paragraph 4.6.6) quarterly the amount of interest referred to in paragraph 4.6.4;
- (b) an amount requested in accordance with Section M2.3; and
- (c) if that Payment Party is a Discontinuing Party (as defined in Section A), on the Discontinuance Date the cash paid by or on behalf of that Discontinuing Party credited to the Reserve Account and not subsequently withdrawn or repaid in accordance with this Section N.

8. PAYMENT PROCEDURE

8.1 Instructions for payment

8.1.1 Each BSC Debtor shall, in respect of each Payment Date on which it is under an obligation to make a payment under this Section N, make such arrangements as will ensure that the payment is credited to the relevant Collection Account ~~by 12.00~~ as soon as practicable and in any event no later than [16.00] hours on that Payment Date.

8.1.2 Each BSC Debtor shall ensure all remittances by its bank to the relevant Collection Account shall be remittances for value on the relevant Payment Date.

8.2 FAA's responsibilities

8.2.1 As soon as practicable and in any event not later than ~~13.00~~ [16.00] hours on each Payment Date the FAA shall find out whether all amounts required to be credited to each Collection Account on such Payment Date have been so credited.

8.2.2 As soon as practicable and in any event not later than ~~13.30~~ [16.00] hours on each Payment Date the FAA shall take such action as is required to ensure that all amounts credited to each Collection Account on such Payment Date in accordance with paragraph 8.1 have been remitted to the Clearing Account.

8.2.3 As soon as practicable and in any event not later than ~~14.30~~ [16.00] hours on each Payment Date the FAA shall reconcile the actual amounts credited to each Collection Account and remitted to the Clearing Account on or before ~~13.30~~ [16.00] hours on that Payment Date and the aggregate of such amounts.

8.3 Non-payment

8.3.1 If any BSC Debtor becomes aware that a payment for which it is responsible will not be credited to the relevant Collection Account by ~~12~~ [16:00] hours on the relevant Payment Date, it will immediately notify the FAA of the non-payment and the reasons therefor.

8.3.2 The FAA shall, as soon as it becomes aware that a payment has not or will not be credited to the relevant Collection Account or remitted to the Clearing Account, use its reasonable endeavours to establish the reason.

8.4 Excess payments

8.4.1 If by ~~12.30~~[15.00] hours on any Payment Date the FAA is advised by a Collection Bank that it has received from a BSC Debtor a payment in excess of the amount notified to that BSC Debtor pursuant to paragraph 7.1 in respect of that Payment Date, or if the BSC Banker notifies the FAA by ~~13.30~~[15.00] hours that amounts greater than the amounts notified to the BSC Banker pursuant to paragraph 7.1.3(b) have been credited to the Clearing Account, the FAA shall use its reasonable endeavours to ascertain the nature of the excess payment, to calculate the entitlement to such payment and to instruct the BSC Banker by ~~14.30~~[16.00] hours that day to credit the relevant BSC Debtor's Settlement Account or (if so requested by the BSC Debtor) the Reserve Account or such other account authorised by BSCCo.

8.4.2 Any Payment Party who instructs its bank to make a payment in excess of the amount owing by that Payment Party on any Payment Date shall simultaneously with giving such instructions advise the FAA in writing of the amount of the excess payment providing a description of what that Payment Party considers the excess payment relates to.

8.5 Payment to BSC Creditors

8.5.1 ~~The FAA shall, prior to 1430~~At about [15.00] hours on each Payment Date ~~the FAA shall:~~

~~(a) estimate the aggregate amounts which will be credited to Collection Accounts in accordance with paragraph 8.1;~~

~~(b) subject to paragraph 8.5.4, on the basis of such estimate, calculate the amounts available for payment by the BSC Clearer to BSC Creditors, taking account of paragraph ~~2.7, 2.7~~ and anticipating the steps (where relevant) in paragraph 9.2, on that Payment Date;~~

~~(c) for the purposes of paragraph 8.5.4, determine, by reference only to the amounts which have by that time on the Payment Date already been credited to Collection Accounts:~~

~~(i) the amount (if any) which would be required to be drawn on the Credit Facility in order to enable full payment to be made of the amounts due to BSC Creditors;~~

~~(i) whether, and if so the amount ("possible shortfall amount") by which, the amount in paragraph (i) exceeds the amount then remaining available for drawing on the Credit Facility; after allowing for any amounts which the FAA is satisfied will be paid into the Clearing Account on the Payment Date pursuant to paragraphs 9.2.2(b) and (c).~~

8.5.2 ~~As~~Subject to paragraph 8.5.4, as soon as practicable and not later than ~~1430 hours~~[15.00] on ~~that day~~the Payment Date the FAA shall arrange for the remittance from the Clearing Account to the relevant Settlement Accounts maintained by the BSC Creditors of the aggregate of amounts determined by the FAA to be available for payment to BSC Creditors and, if required, arrange for the transfer of amounts from the Reserve Account or ~~the~~(subject to paragraph 8.5.3) the Borrowing Account ~~to the Clearing Account~~ to the Clearing Account or vice versa.

8.5.3 Subject to paragraph 8.5.4, any differences between the amount of the FAA's estimate under paragraph 8.5.1(a) and the aggregate amount actually credited to Collection Accounts in accordance with paragraph 8.1 on the Payment Date shall be

addressed by way of adjustment (later on the Payment Date) to the amount of any drawing on the Credit Facility, and the FAA shall arrange for such adjustment to be made in respect of the transfer of any amount from the Borrowing Account to the Clearing Account or vice versa.

8.5.4 If the FAA determines that there is a possible shortfall amount, the FAA shall calculate the amounts under paragraph 8.5.1(b) assuming the reduction of payments (by the BSC Clearer to BSC Creditors) under paragraph 9.2(d) by an aggregate amount equal to the possible shortfall amount, and arrange remittances under paragraph 8.2 accordingly.

8.6 Prohibition on transfers

8.6.1 The FAA shall not at any time instruct the BSC Banker to transfer any sum from a BSC Account to another account (not being a BSC Account) unless that account is a Settlement Account or (in the case of erroneous payments to the BSC Clearer) with the authority of BSCCo and the relevant Payment Party concerned.

8.7 Clearing of Clearing Account

8.7.1 Any amounts standing to the credit of the Clearing Account at the close of business on any Payment Date shall be transferred to the Reserve Account so that the balance in the Clearing Account shall at the end of such day be nil.

9. PAYMENT DEFAULT

9.1 General

9.1.1 For the purposes of this paragraph 9:

- (a) an "**Amount in Default**" is all or any part of any amount due and payable from a BSC Debtor to the BSC Clearer which is not remitted to the relevant Collection Account by ~~13.30~~16.00 hours on the relevant Payment Date and, at any time thereafter, together with interest payable by that Non-paying BSC Debtor pursuant to paragraph 9.4 and less any amounts paid or recovered (as defined in paragraph 9.3.1) in respect thereof at that time;
- (b) a "**Drawing**" is a drawing on the Credit Facility by the FAA on behalf of the BSC Clearer and includes interest and banking charges charged to the BSC Clearer by the BSC Banker from time to time; and
- (c) the "**Default Interest Rate**", in relation to an Amount in Default, is the Base Rate at the Affected Date plus 2 per cent per annum.

9.2 Affected Date

9.2.1 Paragraph 9.2.2 shall apply if, on any Payment Date (such date, in respect of the Settlement Day to which it relates, the "**Affected Date**"), the FAA has been notified by a Settlement Bank or it otherwise has reason to believe there will be an Amount in Default in respect of any BSC Debtor (the "**Non-paying BSC Debtor**").

9.2.2 Where this paragraph 9.2.2 applies, the FAA shall, on behalf of the BSC Clearer, act in accordance with the following provisions (or whichever of them shall apply) in the order in which they appear, until the FAA is satisfied that the Clearing Account will clear to zero not later than the close of business on the Affected Date:

- (a) subject to paragraph 9.2.5, if a Credit Facility is available to the BSC Clearer, the FAA shall make a Drawing by debiting the Borrowing Account and crediting the Clearing Account with a sum being the lesser of the Amount in Default and the amount available for drawing under the Credit Facility;
- (b) if the FAA is satisfied that any Cash Cover provided by the Non-paying BSC Debtor will be paid into the Clearing Account in sufficient time to ensure that that Cash Cover can be applied to the Amount in Default by close of business on the Affected Date, the FAA shall debit the Reserve Account and credit the Clearing Account with a sum being the lesser of the Amount in Default (to the extent that it will not be covered by the amount borrowed by application of paragraph (a)) and that Cash Cover;
- (c) if the FAA is satisfied that the proceeds of a call under the Letter(s) of Credit supplied by the Non-paying BSC Debtor will be paid into the Clearing Account in sufficient time to ensure that those proceeds can be applied to the Amount in Default by close of business on the Affected Date, the FAA shall make a call under the Letter of Credit(s) in a sum not exceeding the lesser of the Amount in Default (to the extent it will not be covered by the application of paragraph (a) or recovered by the application of paragraph (b)) and the available amount of such Letter(s) of Credit and the FAA shall cause the proceeds of such call to be paid into the Clearing Account; and
- (d) if and to the extent that, notwithstanding application of the foregoing measures, it is not possible to credit an amount in cleared funds equal to the Amount in Default to the Clearing Account by close of business on the Affected Date, the FAA shall:
 - (i) on behalf of the BSC Clearer, reduce payments by the BSC Clearer to all BSC Creditors in proportion to the amounts payable to them by the BSC Clearer on and in respect of the Affected Date by an aggregate amount equal to the amount necessary to cover the Amount in Default (to the extent it will not be covered by the application of paragraph (a) or recovered by the application of paragraphs (b) or (c)); and
 - (ii) (subject to paragraph 2.7) account for such reduction in the Ledger Accounts as amounts due and owing by the BSC Clearer to each BSC Creditor (a "**Shortfall Creditor**") whose payments were so reduced; and
- (e) notify BSCCo and (in the case of action under paragraph (b) or (c)) the Non-paying BSC Debtor and BSCCo by close of business as soon as reasonably practicable on the Affected Date of the action taken.

9.2.3 For the purposes of this paragraph 9, the amount of the reduction pursuant to paragraph 9.2.2(d) plus interest at the Default Rate from time to time in respect of each Shortfall Creditor is a "**Shortfall Amount**".

9.2.4 It is acknowledged for the avoidance of doubt that the FAA may (for the purposes of paragraph 9.2.1) have reason to believe, before a given Payment Date, that there will on that Payment Date be an Amount in Default in respect of a BSC Debtor; and in such case the FAA may take steps before such date to implement paragraph 9.2.2(b) or (c) on that date.

9.2.5 Where there is an Amount in Default on a Payment Date in respect of a BSC Debtor which is a Defaulting Party, paragraph 9.2.2(a) or 9.5.2(a) (as the case may be) shall not apply and

the FAA shall proceed directly to the subsequent provisions (or whichever of them shall apply) of paragraph 9.2.2 or 9.5.2 (as the case may be).

9.3 Amount in Default

9.3.1 For the purposes of this Section N, an Amount in Default shall be "**paid or recovered**" on any Business Day, only if, and to the extent that:

(a) an amount has been paid to the BSC Clearer by ~~1330~~[16.00] on that Business Day and applied by the FAA on behalf of the BSC Clearer to that Amount in Default; or

(b) [etc]

9.5 D+1

9.5.1 Paragraphs 9.5.2 to 9.5.4 (inclusive) shall apply if:

(a) the FAA on behalf of the BSC Clearer reduced payments to BSC Creditors in accordance with paragraph 9.2.2 (d); and

(b) the Amount in Default is not paid in full by the Non-paying Debtor and/or recovered by operation of set-off pursuant to paragraph 2.6 by the Business Day after the Affected Date ("**D+1**").

9.5.2 Where this paragraph 9.5.2 applies, the FAA shall, on behalf of the BSC Clearer, not later than the close of business on D+1 act in accordance with the following provisions (or whichever of them shall apply) in the order in which they appear:

(a) subject to paragraph 9.2.5, if a Credit Facility is available to the BSC Clearer (and since the Affected Date any amount has become available for drawing on such facility), make a Drawing by debiting the Borrowing Account with a sum being the lesser of the Amount in Default (including interest at the Default Rate) and the amount available for drawing under the Credit Facility and credit the Settlement Accounts (and the ledger accounts) of the Shortfall Creditors with that sum, in proportion to their respective Shortfall Amounts;

(ab) debit the Reserve Account with a sum being the lesser of the Amount in Default (including interest at the Default Rate) and that Non-paying BSC Debtor's Cash Cover and credit the Settlement Accounts (and the ledger accounts) of the Shortfall Creditors with that sum, in proportion to their respective Shortfall Amounts; and

(bc) if, after the application of ~~paragraph~~paragraphs (a) and (b), there remains any Shortfall Amounts:

(i) make a call under the Non-paying BSC Debtor's Letter of Credit in a sum not exceeding the lesser of the Amount in Default (including interest due pursuant to paragraph 9.4) and the available amount of such Letter(s) of Credit; and

(ii) cause the proceeds of such call to be paid forthwith into the Reserve Account.

9.5.3 On the next Business Day following receipt of such proceeds under a Letter of Credit in accordance with paragraph 9.5.2 (b), the FAA shall pay on behalf of the BSC Clearer such amounts as have been credited to the Reserve Account to the Shortfall Creditors in full or (as the case may be) in proportion to their respective Shortfall Amounts.

9.5.4 Where ~~this paragraph~~paragraphs 9.5.2 to 9.5.4 ~~applies apply,~~ the FAA shall promptly notify Shortfall Creditors and BSCCo and (where it takes action under paragraph 9.5.2(b) or (c)) the Non-paying BSC Debtor.

ANNEX 2 – BSC AGENT IMPACT ASSESSMENTS

Detailed Level Impact Assessment

The FAA agree with the Modification Group's proposed way forward, however some limitations have been identified and some clarification is needed on certain areas of the legal drafting:

- Payment Procedure (8.1.1)

Crediting the collection account at 16.00 would mean that payments made at 16.00 would miss the cut off time for CHAPS and may not be transferred into the clearing account from the relevant collection account on that Payment Date. The FAA therefore propose that 15.30 is used instead of 16.00.

- Excess Payments (8.4)

If on a payment date excess funds are received from a BSC Debtor and the FAA have ascertained that the funds do not relate to that particular date but to another payment date do the excess funds need to be credited back to the BSC Debtors settlement account?

- Section 8.5.1

With reference to section 8.3.1 section 8.5.1 should be changed to read "At about 16.00 hours"

- Section 9.2.2 (b)

By putting the Reserve Account funds on overnight deposit to improve the interest earned, the ability to have access to the Cash Cover in the Reserve Account is prejudiced as the funds will have been put onto overnight deposit before 16.00 hours

- Section 9.2.2 (c)

This section is not possible due to the Uniform Customs and Practice for Documentary Credits. Banks can take seven days to sort out the claim.

- Section 9.2.5

The FAA proposes that section 9.2.5 should be removed. If the default occurs over a number of days and each LC draw down takes 7 days to process there would be heavy usage of option d (scaledown). Rather than having to work out repayments to creditors the FAA would prefer to be able to use the borrowing account.

- Documentation Impacts

The FAA work to the Service Description which will differ from the BSC code should this modification go ahead. The FAA are assuming that the Service Description will be changed by ELEXON under a separate Change Proposal.

- Charge and Time Estimate for Implementation of the Change

Charges relate to staff training in new procedures:

1 day Tester @ £37.50 p.h = £300

1 day Project Office Assistant @ £37.50 p h = £300

1 day Credit Analyst @ £87.50 p h = £700

1 day Contract Manager @ £100 p.h = £800

Total = £2100

- Charge for Detailed Level Impact Assessment of MP39

1 day Contract Manager @ £100 p.h = £800

1 day Credit Analyst @ £87.50 p.h = £700

1 day Project Office Manager @ £300

Total = £1800

ANNEX 3 – REPRESENTATIONS MADE BY PARTIES – FIRST CONSULTATION

See separate document for the assessment first consultation responses.

ANNEX 4 – REPRESENTATIONS MADE BY PARTIES – SECOND CONSULTATION

See separate document for the assessment second consultation responses.

ANNEX 5 – PAYMENT DEFAULT THRESHOLD ANALYSIS

The number of non payments since the 26th April 2001 have listed below:

DATE BORROWED	NON-PAYMENT	DATE PAID	NO OF DAYS BORROWED	DAILY TOTAL
26th April 2001	648.99	2nd May 2001	6	
	100.86	27th April 2001	1	
	5,913.09	4th May 2001	8	
	213,045.46	27th April 2001	1	
	739.49	2nd May 2001	6	
	2,229.73	2nd May 2001	6	
	334,180.21	27th April 2001	1	
	12,076.80	30th April 2001	4	
	1,586.70	3rd May 2001	7	
	33,775.81	2nd May 2001	6	
	129,273.53	27th April 2001	1	
	2.35	2nd May 2001	6	
	3,659.29	30th April 2001	4	
	314.15	3rd May 2001	7	
	2,973.13	2nd May 2001	6	
	90,147.09	26th April 2001	0	830,666.68

27th April 2001	603.52	2nd May 2001	5	
	531.16	1st May 2001	4	
	18,179.12	2nd May 2001	5	
	2,068,756.71	27th April 2001	0	
	720.52	8th May 2001	11	
	2,453.91	2nd May 2001	5	
	11,199.67	30th April 2001	3	
	186.90	3rd May 2001	6	
	2,644.27	2nd May 2001	5	
	7.88			
	2.16	16th May 2001	19	2,105,285.82

30th April 2001	28,859.93	1st May 2001	1	
	67,785.87	2nd May 2001	2	
	980.38	8th May 2001	8	
	273,230.07	1st May 2001	1	
	208.69	2nd May 2001	2	
	88,113.69	4th May 2001	4	
	35,331.29	2nd May 2001	2	
	5,228.53	2nd May 2001	2	
	185,071.41	2nd May 2001	2	
	7,511.50	2nd May 2001	2	
	183.28	3rd May 2001	3	
	21,789.21	10th May 2001	10	714,293.85

1st May 2001	8,425.83	2nd May 2001	1	
	12,311.96	2nd May 2001	1	
	124,708.40	2nd May 2001	1	
	130,454.89	4th May 2001	3	
	237,165.04	3rd May 2001	2	

	452,847.90	1st May 2001	0	
	1,471.60	11th May 2001	10	
	2,389.27	2nd May 2001	1	
	439.29	2nd May 2001	1	
	16,681.25	10th May 2001	9	
	9,866.95	3rd May 2001	2	996,762.38

2nd May 2001	4,509.31	9th May 2001	7	
	1,983.92	30th May 2001	28	
	165,339.75	3rd May 2001	1	
	602.21	4th May 2001	2	
	1,451.82	8th May 2001	6	
	12,245.45	8th May 2001	6	
	113,376.60	4th May 2001	2	
	45,138.06	3rd May 2001	1	
	940.09	8th May 2001	6	
	9,944.26	3rd May 2001	1	355,531.47

3rd May 2001	23,629.59	4th May 2001	1	
	3,620.55	9th May 2001	6	
	7,870.55	4th May 2001	1	
	238.11	15th May 2001	12	
	6.00			35,364.80

4th May 2001	11,014.49	8th May 2001	4	
	3,759.79	9th May 2001	5	
	6.00			14,780.28

8th May 2001	3,794.29	17th May 2001	9	
	100.67	9th May 2001	2	
	5.15	15th May 2001	7	
	6.00			3,906.11

9th May 2001	4,532.96	18th May 2001	9	
	18,045.94	14th May 2001	5	
	6,896.96	25th May 2001	16	
	1,512.23	10th May 2001	1	
	16,392.34	10th May 2001	1	
	1,428.44	10th May 2001	1	
	4,234.99	17th May 2001	8	
	9,492.16	10th May 2001	1	
	5,891.77	15th May 2001	6	
	6.00			68,433.79

10th May 2001	12,516.28	15th May 2001	5	
	21,501.48	11th May 2001	1	
	4,675.58	17th May 2001	7	
	1,501.10	17th May 2001	7	
	3,675.29	15th May 2001	5	43,869.73

11th May 2001	7,161.07	17th May 2001	6	
---------------	----------	---------------	---	--

	2,198.80	17th May 2001	6	
	6.00			9,365.87

14th May 2001	56,439.43	18th May 2001	4	
	11,033.80	17th May 2001	3	
	2,914.05	17th May 2001	3	
	6.00			
	0.01			70,393.29

15th May 2001	2,006.48	31st May 2001	16	
	1,819.52	16th May 2001	1	
	987.85	18th May 2001	3	
	374.85	16th May 2001	1	
	5,224.07	17th May 2001	2	
	132.09	22nd May 2001	7	
	6.00			10,550.86

16th May 2001	745.09	18th May 2001	2	
	9,135.14	31st May 2001	15	
	32,026.12	18th May 2001	2	
	3,666.02	23rd May 2001	7	
	4,958.43	17th May 2001	1	
	5,075.66	17th May 2001	1	
	6.00			55,612.46

17th May 2001	3,963.49	18th May 2001	1	
	10.54	21st May 2001	4	
	23,885.66	21st May 2001	4	
	6.00			27,865.69

18th May 2001	181.83	25th May 2001	7	
	1,289.93	22nd May 2001	4	
	676.64	22nd May 2001	4	
	6.00			2,154.40

21st May 2001	244,035.77	22nd May 2001	1	
	618.19	22nd May 2001	1	
	88,564.25	22nd May 2001	1	
	6.00			333,224.21

22nd May 2001	131.78	4th June 2001	13	
	60,672.02	23rd May 2001	1	60,803.80

23rd May 2001	576,757.62	24th May 2001	1	576,757.62
---------------	------------	---------------	---	------------

24th May 2001	47,033.46	29th May 2001	5	
	69.43	4th June 2001	11	
	39,714.32	28th May 2001	4	
	16,268.38	5th June 2001	12	103,085.59

25th May 2001	120.64	4th June 2001	10	
---------------	--------	---------------	----	--

	16,936.45	8th June 2001	14	17,057.09
29th May 2001	5,776.76	30th May 2001	1	
	116.45	20th June 2001	22	
	508.49	4th June 2001	6	
	5,668.91	5th June 2001	7	
	12,867.00	30th May 2001	1	
	35,746.89	30th May 2001	1	60,684.50
30th May 2001	1,224,925.86	31st May 2001	1	
	2.79			
	207,831.94	31st May 2001	1	1,432,760.59
31st May 2001	7.34			
	0.80	1st June 2001	1	
	17,320.20	4th June 2001	4	
	7,069.36	1st June 2001	1	24,397.70
1st June 2001	3,684.19	20th June 2001	19	
	7,105.18	4th June 2001	3	
	4.17			
	106.50			
	1,330.50	4th June 2001	3	
	143.29	19th June 2001	18	12,373.83
4th June 2001	23,988.80	5th June 2001	1	
	2,741.20	6th June 2001	2	
	0.04			26,730.04
6th June 2001	2,351.38	19th June 2001	13	
	1,189.63	7th June 2001	1	
	2,186.24	7th June 2001	1	
	55,486.58	7th June 2001	1	
	101,661.26	7th June 2001	1	
	83,947.01	7th June 2001	1	
	44,966.16	8th June 2001	2	291,788.26
7th June 2001	10,658.26	14th June 2001	7	
	1,232.25	8th June 2001	1	
	286.83	19th June 2001	12	
	0.02			
	0.04			12,177.40
8th June 2001	154.21	11th June 2001	3	
	802.96	11th June 2001	3	
	978.36	19th June 2001	11	
	14.08	20th June 2001	12	
	0.08			1,949.69
11th June 2001	97,152.26	14th June 2001	3	
	29,504.22	27th June 2001	16	126,656.48

12th June 2001	1,684.16	14th June 2001	2	
	85.28			
	38.72	19th June 2001	7	
	4,610.21	20th June 2001	8	
	138,405.04	13th June 2001	1	
	2.91			144,826.32

13th June 2001	92,350.66	21st June 2001	8	92,350.66
----------------	-----------	----------------	---	-----------

14th June 2001	4,469.55	22nd June 2001	8	
	72.56	20th June 2001	6	4,542.11

15th June 2001	434.99	18th June 2001	3	
	470.94	20th June 2001	5	905.93

18th June 2001	811.62	5th July 2001	17	
	1,065.95	20th June 2001	2	
	2,572.26	20th June 2001	2	
	222.44	20th June 2001	2	4,672.27

19th June 2001	35,378.97	21st June 2001	2	
	109.60	25th June 2001	6	
	3,790.42	20th June 2001	1	
	8.88	20th June 2001	1	
	81,317.16	20th June 2001	1	120,605.03

20th June 2001	12,314.48	22nd June 2001	2	
	4,324.02	25th June 2001	5	
	56,980.74	21st June 2001	1	
	9,893.32	26th June 2001	6	
	1,262.03			
	32,113.14	21st June 2001	1	
	3,499.09	25th June 2001	5	120,386.82

21st June 2001	1,971.05	22nd June 2001	1	
	15,878.49	25th June 2001	4	
	5,779.10	26th June 2001	5	
	493.43	25th June 2001	4	
	236.45			
	15,913.40	22nd June 2001	1	
	667.22	25th June 2001	4	
	0.04			
	0.01			40,939.19

22nd June 2001	1,060.14	27th June 2001	5	
	2,582.82	25th June 2001	3	
	1,850.95	25th June 2001	3	
	317.29	25th June 2001	3	
	1,647.31	26th June 2001	4	
	1,306.47	25th June 2001	3	
	632.44	2nd August 2001	10	9,397.42

25th June 2001	1,737.52	2nd August 2001	7	
	36.02	10th July 2001	15	1,773.54
26th June 2001	132,574.20	27th June 2001	1	
	1,031.31	10th July 2001	14	
	98,590.23	27th June 2001	1	232,195.74
27th June 2001	574.29	10th July 2001	13	574.29
2nd July 2001	21,718.29	3rd July 2001	1	
	5.74	10th July 2001	8	
	59,999.98	3rd July 2001	1	
	230.86			81,954.87
3rd July 2001	2,634.42	4th July 2001	1	2,634.42
4th July 2001	13,708.26	5th July 2001	1	
	3,592,705.82	5th July 2001	1	
	341.13			3,606,755.21
5th July 2001	2,170.96	6th July 2001	1	
	17,588.19	6th July 2001	1	19,759.15
6th July 2001	344.22	9th July 2001	3	
	17,588.19	9th July 2001	3	
	14.28	11th July 2001	5	
	73,464.77	11th July 2001	5	91,411.46
10th July 2001	94.86	11th July 2001	1	94.86
13th July 2001	0.01			0.01
18th July 2001	89.07	19th July 2001	1	
	33,579.70	19th July 2001	1	33,668.77
19th July 2001	1,406.11	23rd July 2001	4	1,406.11
20th July 2001	135,929.10	24th July 2001	4	
	2,402.30	26th July 2001	5	
	7,187.29			
	25,689.37	26th July 2001	5	
	4,167.58	23rd July 2001	3	175,375.64
23rd July 2001	69,839.48	24th July 2001	1	
	44.50	24th July 2001	1	
	873.41			
	1,581.57	26th July 2001	3	
	23,676.42	25th July 2001	2	96,015.38
24th July 2001	44,260.32	26th July 2001	2	44,260.32

25th July 2001	75,805.12	26th July 2001	1	75,805.12
27th July 2001	12,839.11	31st July 2001	4	
	26,658.12	6th August 2001	10	39,497.23
31st July 2001	43,932.09	2nd August 2001	2	
	7,075.91	1st August 2001	1	
	114.79			
	40,537.97	1st August 2001	1	
	15,671.54	6th August 2001	6	
	1,437.59	2nd August 2001	2	
	87,922.70	1st August 2001	1	196,692.59
1st August 2001	1,681.00	6th August 2001	5	
	339.34	2nd August 2001	1	
	0.68			2,021.02
2nd August 2001	1.57			1.57
6th August 2001	85.87	30th August 2001	24	
	48,900.56	13th August 2001	7	
	72,968.39	7th August 2001	1	121,954.82
7th August 2001	7,617.00	30th August 2001	23	
	834.13	13th August 2001	6	
	83.77			
	3,621.46	8th August 2001	1	
	3,355.82	8th August 2001	1	
	456.66	8th August 2001	1	15,968.84
8th August 2001	32.45	30th August 2001	22	
	484.69	13th August 2001	5	
	172.15			
	361.53	9th August 2001	1	1,050.82
9th August 2001	774.64	13th August 2001	4	
	236.66			
	900.11	10th August 2001	1	1,911.41
10th August 2001	36,971.53	13th August 2001	3	
	1,059.68	30th August 2001	20	
	915.35	15th August 2001	5	
	371.45			39,318.01
13th August 2001	178.88	14th August 2001	1	
	2,105.00	30th August 2001	17	
	5,641.26	15th August 2001	2	
	312.74			
	54,520.35	15th August 2001	2	62,758.23
15th August 2001	15,565.57	24th August 2001	9	15,565.57

16th August 2001	0.05			0.05
17th August 2001	0.02			
	0.03			0.05
20th August 2001	14,686.11	21st August 2001	1	14,686.11
21st August 2001	1,482.03	30th August 2001	9	
	61.99			1,544.02
22nd August 2001	50.49	30th August 2001	8	
	34.10	23rd August 2001	1	
	3,118.41	23rd August 2001	1	
	63.19			3,266.19
23rd August 2001	48.37	30th August 2001	7	48.37
24th August 2001	31.95	30th August 2001	6	31.95
28th August 2001	63,716.20	30th August 2001	2	
	29.26	11th September 2001	14	
	12,508.26	17th September 2001	20	
	1,038.70			
	6,565.78	29th August 2001	1	83,858.20
29th August 2001	92.48	11th September 2001	13	92.48
30th August 2001	11.55	11th September 2001	12	
	9,239.53	4th September 2001	5	9,251.08
31st August 2001	41.98	11th September 2001	11	41.98
03-Sep-01	484,630.40	04-Sep-01	1	
	21,958.29	04-Sep-01	1	
	52.52	11-Sep-01	8	506,641.21
04-Sep-01	151.77	11-Sep-01	7	151.77
05-Sep-01	38.22	11-Sep-01	6	38.22
06-Sep-01	366,609.51	07-Sep-01	1	
	2,202.33	11-Sep-01	5	
	31.45	11-Sep-01	5	368,843.29
07-Sep-01	61,980.74	11-Sep-01	4	61,980.74
17-Sep-01	2,673.23	18-Sep-01	1	
	381.91			3,055.14
11th October 2001	2,059.35	1st November 2001	23	
	45.24	12th October 2001	1	

	254.70	19th November 2001	39	2,359.29
19th October 2001	2,586.04	23rd October 2001	4	
	4,048.34	23rd October 2001	4	
	265,862.82	22nd October 2001	3	272,497.20
23rd October 2001	215.41	19th November 2001	25	
	86.71	1st November 2001	9	
	151.05	24th October 2001	1	453.17
24th October 2001	179.71	19th November 2001	26	
	57,005.58	25th October 2001	1	
	274.96	25th October 2001	1	
	3,755.55			61,215.80
25th October 2001	14,508.16	26th October 2001	1	14,508.16
30th October 2001	97,264.97	31st October 2001	1	97,264.97
31st October 2001	56.30			
	1,096.49	9th November 2001	9	
	20,723.48	1st November 2001	1	21,876.27
2nd November 2001	418,259.78	6th November 2001	4	418,259.78
6th November 2001	97.18	13th November 2001	7	
	96.00			
	1,534.94	9th November 2001	3	1,728.12
14th November 2001	4,295.32	15th November 2001	1	4,295.32
15th November 2001	4,295.32	20th November 2001	5	4,295.32
19th November 2001	84,946.89	20th November 2001	1	84,946.89
22nd November 2001	24,661.76	23rd November 2001	1	24,661.76
23rd November 2001	24,661.76	26th November 2001	3	24,661.76
27th November 2001	21,047.72	28th November 2001	1	21,047.72
28th November 2001	3,941.35	29th November 2001	1	3,941.35
29th November 2001	654.97	4th December 2001	5	654.97
30th November 2001	29,332.35	5th December 2001	5	
	75,020.27	5th December 2001	5	
	5,222.01	3rd December 2001	4	
	268.27			109,842.90