

Modification P19 – Alternative Modification

Section P

The following text shall be inserted in Section P.

6. NOTIFICATION ERRORS

6.1 Meaning of Notification Error

6.1.1 For the purposes of this Section P:

- (a) a "**Notification Error**" occurs in relation to the notification of Energy Contract Volume Data or Metered Volume Reallocation Data [for a Settlement Period] where and only where there was a manifest error in the submission of a Volume Notification on the part of the Volume Notification Agent and/or the relevant Contract Trading Parties which was not rectified prior to Gate Closure for the relevant Settlement Period; *[NB. draft proposes one error per SP but one claim may cover several errors]*
- (b) references in this paragraph 6 to the submission of a Volume Notification:
 - (i) mean the submission of a particular Volume Notification; and
 - (ii) include a failure to submit a Volume Notification,and the provisions of this paragraph 6 shall be construed accordingly;
- (c) for the purposes of paragraph (a), a manifest error in the submission of a Volume Notification will be considered to have occurred only where:
 - (i) the relevant Contract Trading Parties had, at the time of such submission, a demonstrably settled and (save in the case of paragraph 1.4.1) shared commitment to notify particular ascertained Volume Data for the Settlement Period in question; and *[nb 'commitment' is cf P5.2.4 – includes an 'intra' party notification]*
 - (ii) it is clear that a mistake occurred in giving effect to that commitment;*[Note: this means that a notification submitted which was not the subject of a settled intention is not a Notification Error]*
- (d) in relation to a claim of Notification Error:
 - (i) the "**relevant**" Volume Notification is the Volume Notification in respect of which the Notification Error occurs;
 - (ii) the "**relevant**" Volume Notification Agent is the Volume Notification Agent which submitted the relevant Volume Notification;
 - (iii) the "**relevant**" Settlement Period is the Settlement Period in respect of which the Notification Error occurs;

- (iv) a "**relevant**" Contract Trading Party is a Contract Trading Party in relation to which the Notification Error occurs;
- (v) the "**rectified Volume Notification**" is the Volume Notification which would have been made had the Notification Error not occurred;
- (e) in relation to a relevant Contract Trading Party, references to a Notification Error are to the Notification Error which has (or is alleged to have) occurred in respect of such Party;
- (f) "**Volume Data**" means Energy Contract Volume Data or Metered Volume Reallocation Data, as the case may be.

6.2 Claiming Notification Errors

- 6.2.1 Where a relevant Contract Trading Party considers that there has been a Notification Error, such Party may, subject to paragraph 6.2.2 and (where applicable) paragraph 6.2.3, as soon as reasonably practicable after becoming aware of the Notification Error and in any event no later than [72] hours after Gate Closure for the relevant Settlement Period, make a claim to that effect by giving notice of such claim to BSCCo, identifying the Notification Error(s) and the relevant Settlement Period(s). *[NB. to be decided whether 72 hours is appropriate]*
- 6.2.2 Where a relevant Contract Trading Party makes a claim of Notification Error, such Party shall pay a fee to BSCCo the amount of which (for each such claim, provided that for the purposes of this paragraph 6.2.2 and subject to paragraph 6.2.4 a claim may relate to more than one Notification Error in respect of the same Volume Notification) shall be [£5,000], or such other amount as the Panel may from time to time, after consultation with Parties, determine upon not less than 30 days' notice to Parties; which fee shall not be reimbursed in any circumstances. *[Proposal is that one fee is payable in respect of Notification Error claim covering more than one Settlement Period. Amount of £5,000 to be confirmed]*
- 6.2.3 Where a relevant Contract Trading Party makes a claim of Notification Error (other than one to which paragraph 1.4.1 applies), the claim shall be accompanied by a statement in writing from the other relevant Contract Trading Party (addressed to BSCCo for the benefit of all Contract Trading Parties) confirming that it considers that the Notification Error has occurred. *[Draft requires both parties to recognise the error.]*
- 6.2.4 A claim of Notification Error may not be made:
 - (a) in relation to a Volume Notification in respect of which a previous claim has been made (and accordingly, if a relevant Contract Trading Party wishes to claim Notification Errors in relation to more than one Settlement Period, a single claim must be made for all such errors, subject to paragraph (b) below and paragraph 6.2.1); *[under this provision, only one claim could be made for each notification – and only for a maximum [72] hour window – this is intended to provide an incentive to remedy the source of the error in future, rather than continuing to submit claims on an indefinite basis]* or
 - (b) in relation to a Settlement Period for which Gate Closure occurs after the time at which the claim is made. *[the effect is that errors for SPs for which Gate Closure has not occurred should be corrected by normal revised notifications]*

6.2.5 A claim of Notification Error may be made in relation to a Volume Notification, notwithstanding that the Volume Notification was treated as rejected (in relation to the relevant Settlement Period) or refused, in accordance with paragraph 2.4 or 3.4, where the rectified Volume Notification (if submitted as described in paragraph 6.4.5) would not have been so treated, but without prejudice to paragraph 6.6.2.

6.3 Flagging Notification Errors

6.3.1 Where a Party gives notice of a claim of Notification Error under paragraph 6.2.1, BSCCo shall within 1 Business Day after receiving such notice notify the claim to the Energy Contract Volume Aggregation Agent, all Contract Trading Parties and the relevant Volume Notification Agent.

6.4 Determination of Notification Errors

6.4.1 The Panel shall consider claims of Notification Error in accordance with this paragraph 6.4.

6.4.2 For the avoidance of doubt the Panel may establish or appoint a Panel Committee to discharge its functions under this paragraph 6; and (notwithstanding Section W2.2) the Panel may appoint the Trading Disputes Committee, and (if so appointed) that Committee shall have the ability and competence, to do so.

6.4.3 Where a claim of Notification Error is made:

- (a) the Panel Secretary shall arrange for the claim to be placed on the agenda of a meeting of the Panel (consistently with paragraph (c)), and shall request:
 - (i) the Party claiming the Notification Error to provide evidence and information supporting its claim;
 - (ii) the other relevant Contract Trading Party (if any) to provide evidence and information supporting the claim; and
 - (iii) the relevant Volume Notification Agent and the ECVAA to provide comments in relation to the claim;
- (b) the Panel shall determine in its opinion whether there was a Notification Error and, if so, what it was;
- (c) the Panel shall wherever practicable consider the claim in time for any such rectification to be taken into account in the Initial Settlement Run;
- (d) the relevant Contract Trading Parties and the relevant Volume Notification Agent shall provide the Panel with such further information as it may reasonably request to assist it in making its determination;
- (e) the Panel Secretary shall notify the Panel's determinations to all Contract Trading Parties and the relevant Volume Notification Agent;
- (f) BSCCo shall give such instructions to the ECVAA, SAA and FAA as are necessary to give effect to any such rectification;
- (g) the fee under paragraph 6.2.2 shall be invoiced as and included in determining BSCCo Charges for the relevant Party for the next month for which BSCCo

Charges are invoiced following the notification of the Panel's determination under paragraph (e), and paid accordingly.

6.4.4 The determination of the Panel (or any Panel Committee established or appointed under paragraph 6.4.2) as to whether there was a Notification Error and, if so, what it was shall be final and binding on all Parties.

6.4.5 Rectification of a Notification Error shall not be made if the rectified Volume Notification would have been invalid (pursuant to paragraph 2.3.4 or 3.3.4) or treated as rejected (in relation to the relevant Settlement Period) or refused (pursuant to paragraph 2.4 or 3.4) if such rectified Volume Notification had been submitted:

- (a) at the time at which the relevant Volume Notification was submitted; or
- (b) where the Notification Error is a failure to submit, immediately prior to Gate Closure for the relevant Settlement Period.

6.4.6 If:

- (a) a claim of Notification Error is made and the Panel determines that the Notification Error has occurred;
- (b) within a period of [] months after the first claim was made, a further claim is made in respect of the same Contract Trading Parties and Energy Contract Volume Notification Agent; and
- (c) the Panel considers that the further claim occurred because the Energy Contract Volume Notification Agent and/or one or both of the Contract Trading Parties failed to remedy any defect in its or their systems or processes which gave rise to the first claim,

the Panel may decline to rectify the Notification Error(s) identified in the further claim.

6.5 Rectification of Notification Errors

6.5.1 Where the Panel determines that there was a Notification Error:

- (a) the Panel shall determine what adjustments are required to the relevant Account Bilateral Contract Volumes, Metered Volume Fixed Reallocations and/or Metered Volume Percentage Reallocations (as the case may be) in order to rectify the Notification Error as determined by the Panel; and
- (b) such adjustments shall be made as soon as is practicable, and shall be taken into account in the next Settlement Run for the relevant Settlement Period.

6.6 Credit arrangements

6.6.1 Where a Notification Error is rectified, the rectification shall be taken into account for the purposes of the determination of the relevant Contract Trading Parties' Credit Cover Percentages in relation to Settlement Periods for which Gate Closure occurs after, but not earlier than, the time of the rectification.

6.6.2 In accordance with paragraph 6.6.1:

- (a) where, in accordance with Section M, a relevant Contract Trading Party was treated before the time of the rectification as being in Credit Default and would not have been so treated had the rectified Volume Notification been submitted,
 - (i) Section M3.5 shall not apply; and such Party shall not be entitled to any right or remedy in respect of being so treated;
 - (ii) to the extent that, as a result of such Party being so treated, any other Volume Notification was treated as rejected (in relation to any Settlement Period) or refused in accordance with paragraph 2.4 or 3.4, such refusal or rejection shall not be affected or prejudiced by the rectification of the Notification Error and Section M4 shall not apply in relation thereto;
 - (b) where, in accordance with Section M, a relevant Contract Trading Party would have been treated before the time of the rectification as being in Level 2 Credit Default had the rectified Volume Notification been submitted, and was not so treated, the rectification of the Notification Error shall not affect or prejudice any other Volume Notification which was not treated as refused before, or rejected as to Settlement Periods for which Gate Closure was before, the time of the rectification.
- 6.6.3 For the purposes of this paragraph 6.6, the time of the rectification of a Notification Error is the time with effect from which the ECVAA enters into its BSC Agent System the adjustments determined under paragraph 6.5.1.

6.7 Prior application

- 6.7.1 This paragraph 6 shall apply in relation to the period (the "**prior period**") from the Go-live Date to the date with effect from which this paragraph 6 comes into effect (as well as applying on and after that date), subject to paragraph 6.7.2:
- 6.7.2 In relation to a claim of Notification Error in relation to a Settlement Period for which Gate Closure occurred within the prior period:
- (a) the requirement (pursuant to paragraph 6.2.1) that a claim of Notification Error be submitted within [72] hours after Gate Closure for the relevant Settlement Period shall not apply;
 - (b) notice of any such claim shall be given within [5] days after the date from which this paragraph 6 comes into effect;
 - (c) paragraph 6.2.4(a) shall not apply.

Section D

The following text shall be inserted in Section D4.1(a)(v):

"(v) any amounts paid to BSCCo by way of fee pursuant to Section P66.2.2 or Section Q7.2.3;"

Section G

The following text shall be inserted as a new Section G1.1.2(b) and the existing Section G1.1.2(b) and remaining paragraphs of Section G1.1.2 shall be renumbered according:

"(b) Section P6, which addresses the possibility of notification errors in the submission of Volume Notifications;"

Section M

The following text shall be inserted as a new Section M3.5.2 and the title of Section M3.5 shall amended to read 'Result of Trading Dispute, etc':

"3.5.2 This paragraph 3 and paragraph 4 are subject to the provisions of Section P6."

Annex X-1

The following new definitions shall be inserted in Annex X-1:

"**Notification Error**" has the meaning given to that term in Section P6.1.1(a);

"**Volume Data**" has the meaning given to that term in Section P6.1.1(f);