

1 SUMMARY AND RECOMMENDATIONS

1.1 Recommendation

The Alternative Modification for P17 seeks to provide an appropriate variant of the Forward Contract (7-Day) Report to the Energy Contract Volume Notification Agent (ECVNA) and the Metered Volume Reallocation Agent (MVRNA), containing the trades notified by the recipient Notification Agent, in order to enable them to identify and rectify errors and / or omissions in their notification submissions. The receipt of the new 'Notification Agent Forward Contract Report' is optional, i.e. the report can be switched on and off. It should be noted that the existing Forward Contract (7-Day) Report is unchanged by this Alternative Modification.

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal during the Assessment Phase, and the representations received under the Report phase, the BSC Panel recommends to the Authority that:

The Modification, as submitted, is rejected and the Alternative Modification, as set out in Section 7 of this report, be approved and implemented as part of the ELEXON BSC Systems Release 2 Project, with an estimated implementation date of 30th September 2002.

1.2 Background

This Modification Proposal was raised by PowerEx on the 25th June 2001 and subsequently referred to the Contract Notification Modification Group (CNMG) by the Panel under the Assessment Procedure. The Modification Group considered the original proposal, developed an Alternative Proposal. The CNMG concluded that the Alternative Modification would better achieve the objectives of the Balancing and Settlement Code than the original proposal. The CNMG noted that the Alternative Modification proposed to address an inequality in the provisions of the Code, regarding the reporting of notifications.

The Panel considered the CNMG's Assessment Report at its meeting of the 26th July 2001 and agreed that the Alternative Modification should proceed to the Report Phase. The Panel agreed that the draft Modification Report be consulted on and should contain a recommendation to the Authority that the Alternative Modification should be approved and implemented as part of the ELEXON BSC Systems 2 Release Project.

1.3 Rationale for Recommendations

The Panel endorsed the Contract Notification Modification Group's conclusions that the Alternative Modification would better facilitate the Applicable BSC Objectives as set out in the Transmission Licence. In particular, it would meet Objectives 7A (3)(c) 'promoting effective competition in the generation and supply of electricity and (so far as is consistent therewith) promoting such competition in the sale and purchase of electricity' and 7A (3)(d) 'promoting efficiency in the implementation and administration of the balancing and settlement arrangements'.

In reaching this conclusion, the Panel took due account of the views of the Proposer, all representations received from interested parties and the views of the Contract Notification Modification Group, which are detailed in Section 5 of this Modification Report. This Modification Report should be read in conjunction with the Modification Group's Assessment Report (Reference 4).