

INITIAL WRITTEN ASSESSMENT for Modification Proposal P164 Housekeeping Modification – BSC Panel

Prepared by: ELEXON¹ Limited

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This document has been distributed in accordance with Section F2.1.10² of the Balancing and Settlement Code.

RECOMMENDATIONS

On the basis of the initial assessment BSCCo recommends that the Panel:

- **DETERMINE that Modification Proposal P164 should be submitted directly to the Report Phase;**
- **AGREE that draft Modification Report should be prepared, consulted on and submitted to the Panel for consideration at its meeting of 8 April 2004;**
- **AGREE that the draft Modification Report contain a provisional recommendation that P164 should be made with an Implementation Date of 30 June 2004.**

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¹ ELEXON Ltd currently fulfils the role of the Balancing and Settlement Code Company ('BSCCo'), pursuant to Annex X-1 of the Balancing and Settlement Code (the 'Code').

² The current version of the Code can be found at www.elexon.co.uk/ta/bscresel_docs/bsc_code.html

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SUMMARY OF IMPACTED PARTIES AND DOCUMENTS

As far as BSCCo has been able to assess the following parties/documents have been initially identified as being potentially impacted by Modification Proposal P164.

Parties	Sections of the BSC	Code Subsidiary Documents
Suppliers <input type="checkbox"/>	A <input type="checkbox"/>	BSC Procedures <input type="checkbox"/>
Generators <input type="checkbox"/>	B <input type="checkbox"/>	Codes of Practice <input type="checkbox"/>
Licence Exemptable Generators <input type="checkbox"/>	C <input type="checkbox"/>	BSC Service Descriptions <input type="checkbox"/>
Transmission Company <input type="checkbox"/>	D <input type="checkbox"/>	Service Lines <input type="checkbox"/>
Interconnector <input type="checkbox"/>	E <input type="checkbox"/>	Data Catalogues <input type="checkbox"/>
Distribution System Operators <input type="checkbox"/>	F <input type="checkbox"/>	Communication Requirements Documents <input type="checkbox"/>
Party Agents		
Data Aggregators <input type="checkbox"/>	G <input type="checkbox"/>	Reporting Catalogue <input type="checkbox"/>
Data Collectors <input type="checkbox"/>	H <input type="checkbox"/>	MIDS <input type="checkbox"/>
Meter Operator Agents <input type="checkbox"/>	J <input checked="" type="checkbox"/>	Core Industry Documents
ECVNA <input type="checkbox"/>	K <input checked="" type="checkbox"/>	Grid Code <input type="checkbox"/>
MVRNA <input type="checkbox"/>	L <input checked="" type="checkbox"/>	Supplemental Agreements <input type="checkbox"/>
BSC Agents		
SAA <input type="checkbox"/>	M <input type="checkbox"/>	Ancillary Services Agreements <input type="checkbox"/>
FAA <input type="checkbox"/>	N <input type="checkbox"/>	Master Registration Agreement <input type="checkbox"/>
BMRA <input type="checkbox"/>	O <input type="checkbox"/>	Data Transfer Services Agreement <input type="checkbox"/>
ECVAA <input type="checkbox"/>	P <input type="checkbox"/>	British Grid Systems Agreement <input type="checkbox"/>
CDCA <input type="checkbox"/>	Q <input type="checkbox"/>	Use of Interconnector Agreement <input type="checkbox"/>
TAA <input type="checkbox"/>	R <input checked="" type="checkbox"/>	Settlement Agreement for Scotland <input type="checkbox"/>
CRA <input type="checkbox"/>	S <input type="checkbox"/>	Distribution Codes <input type="checkbox"/>
Teleswitch Agent <input type="checkbox"/>	T <input checked="" type="checkbox"/>	Distribution Use of System Agreements <input type="checkbox"/>
SVAA <input type="checkbox"/>	U <input type="checkbox"/>	Distribution Connection Agreements <input type="checkbox"/>
BSC Auditor <input type="checkbox"/>	V <input type="checkbox"/>	BSCCo
Profile Administrator <input type="checkbox"/>	W <input type="checkbox"/>	Internal Working Procedures <input type="checkbox"/>
Certification Agent <input type="checkbox"/>	X <input type="checkbox"/>	Other Documents
MIDP <input type="checkbox"/>		Transmission Licence <input type="checkbox"/>
TFLA <input type="checkbox"/>		
Other Agents		
SMRA <input type="checkbox"/>		
Data Transmission Provider <input type="checkbox"/>		

Estimated cost for progressing P164 through Modification Procedures	10 ELEXON man days
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1 DESCRIPTION OF PROPOSED MODIFICATION

1.1 Modification Proposal

Modification Proposal P164 'Housekeeping Modification' was raised on 12 February 2004 by the BSC Panel, on the recommendation of ELEXON. (See Annex 1)

P164 identifies a number of manifest errors and reference adjustments in the Code, and represents a consolidation of the various 'housekeeping' changes required to rectify these defects.

Because of the inconsequential nature of the changes to the Code that would result from the implementation of the Proposed Modification, the associated legal text has been prepared and is attached in both Annex 2 and Annex 3.

1.2 Issues raised by the Modification Proposal

An initial assessment of Modification Proposal P164 has identified that there are no potential areas of impact and no issues which will need to be considered and addressed in progressing the Modification Proposal.

2 INITIAL ASSESSMENT OF IMPACTS OF MODIFICATION PROPOSAL

2.1 Impact on BSC Systems and processes

An initial assessment has been undertaken in respect of all BSC Systems and processes and no BSC Systems and processes have been identified as potentially being impacted by the Modification Proposal.

2.2 Impact on other systems and processes used by Parties

An initial assessment has been undertaken in respect of systems and processes used by parties and no systems and processes have been identified as being potentially impacted by the Modification Proposal.

2.3 Impact on documentation

2.3.1 Impact on Balancing and Settlement Code

An initial assessment has been undertaken in respect of all Sections of the Code and the following Sections have been identified as potentially being impacted by the Modification Proposal.

Item	Potential Impact of Proposed Modification
Section J	Changes to address reference adjustments
Section K	Changes to address manifest errors
Section L	Changes to address reference adjustments
Section R	Changes to address reference adjustments
Section T	Changes to address manifest errors

2.3.2 Impact on Code Subsidiary Documents

An initial assessment has been undertaken in respect of all Code Subsidiary Documents and no impacts have been identified in those left unchanged by the redundant and incorrect referencing.

2.4 Impact on Core Industry Documents

An initial assessment has been undertaken in respect of Core Industry Documents and no impacts have been identified.

2.5 Impact on other configurable items

An initial assessment has been undertaken in respect of other configurable items and no impacts have been identified.

3 IMPACT ON BSCCO

An initial assessment has been undertaken in respect of BSCCo. No impacts have been identified.

4 IMPACT ON BSC AGENT CONTRACTUAL ARRANGEMENTS

An initial assessment has been undertaken in respect of BSC Agent contractual arrangements and no impacts have been identified.

5 RATIONALE FOR BSCCO'S RECOMMENDATIONS TO THE PANEL

P164 was raised by the BSC Panel in accordance with section F2.1.1(d)(iv) of the Code to rectify manifest errors, to correct minor inconsistencies, and make other minor consequential changes to the code. The Panel believe that P164 would better facilitate BSC Objective (d):

- d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

The IWA has confirmed that there are no issues or further impacts associated with the proposed Code change. In accordance with Section F2.7 of the Code, BSCCo therefore recommends that P164 should proceed directly to Report Phase with the recommendation that the Proposed Modification be made with an Implementation Date of 30 June 2004. This date is necessary because the June release is scheduled for 29 June '04 and will become effective from 30 June '04. This release will see the implementation of CP971 and CP998, the removal of BSCP07 and creation of BSCP27 respectively. To keep the Code consistent and clear these changes need to be implemented by the 30 June 2004.

6 PROCESS, TIMETABLE AND COST FOR PROGRESSING THE MODIFICATION PROPOSAL

In accordance with Section F2.7 of the Code, BSCCo recommends that P164 should proceed directly to Report Phase with the recommendation that the Proposed Modification be made with an Implementation Date of 30 June 2004 (see above explanation). During the report phase there will be one industry consultation. The draft Modification Report will be presented to the BSC Panel on 8 April 2004.

7 DOCUMENT CONTROL

7.1 Authorities

Version	Date	Author	Reviewer	Change Reference
0.1	02/03/04	Adam Lattimore	Change Delivery	Initial Draft for Review
1.0	03/03/04	Adam Lattimore	Change Delivery	Authorised for use

ANNEX 1 MODIFICATION PROPOSAL

Modification Proposal	MP No: P164 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> Housekeeping Modification	
Submission Date <i>(mandatory by proposer):</i> 21 February 2004	
Description of Proposed Modification <i>(mandatory by proposer):</i> Under Section F2.1.1(d)(iv) of the Balancing and Settlement Code, ELEXON can recommend a Modification Proposal to the Panel to rectify manifest errors, to correct minor inconsistencies and/or make other minor consequential changes to the Code.	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> 4 minor consequential changes are required to the BSC as a result of 2 minor inconsistencies and 2 reference adjustments (a result of the removal of BSCP07 and creation of BSCP27) This Modification Proposal proposes to deliver 4 minor changes to the Code to address a batch of errors and inconsistencies. (See Annex 2)	
Impact on Code <i>(optional by proposer):</i> Section J 1.4.2 Section L Section R 2.1.2 Section K 3.4.2 Annex T-1, 3.1(f) (See Annex 2)	
Impact on Core Industry Documents <i>(optional by proposer):</i> None	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i> None	
Impact on other Configurable Items <i>(optional by proposer):</i> None	
Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by proposer):</i> The proposed changes would achieve Applicable BSCP Objective (D) "Promoting efficiency in the implementation and administration of the balancing and settlement arrangements".	

Modification Proposal	MP No: P164 <i>(mandatory by BSCCo)</i>
Details of Proposer:	
Name:	
Organisation: BSC Panel	
Telephone Number:	
Email Address:	
Details of Proposer's Representative:	
Name: Modification Secretary	
Organisation: ELEXON	
Telephone Number: 0207 380 4100	
Email Address: chris.rowell@elexon.co.uk	
Details of Representative's Alternate:	
Name:	
Organisation:	
Telephone Number:	
Email Address:	
Attachments: YES	
If Yes, Title and No. of Pages of Each Attachment:	
Annex 2 – Table of proposed changes to the BSC - 2 pages	
Annex 3 - Legal Text for proposed change 1 (Section J and Section L)	

ANNEX 2 – TABLE OF PROPOSED CHANGES TO THE BSC

	Identified by	Section(s)/ Area(s) Affected	Type of Change	Description of Change
1.	<i>ELEXON</i>	J 1.4.2 (e) & L 7	Reference Adjustment	<p>BSCP26 and BSCP526 will be merged to create a new Technical Assurance BSCP, BSCP27.</p> <p>This change is a result of the findings of the Technical Assurance Review which was bought to the panel for information in February '03. (Refer to paper 58/004 Appendix B – Performance Assurance Framework Review: Findings of the Technical Assurance Review)</p> <p>See Annex 3 for legal text relating to this change.</p>
2.	<i>ELEXON</i>	K 3.4.2A	manifest error	<p>This clause was introduced in approved modification P123 which was bought to the January Panel meeting for information. (Refer to paper 71/023 – Operational issue in application of Section K: Classification and registration of metering systems and BM units.</p> <p>This clause should be modified to read:</p> <p>The Lead Party of a Supplier BM Unit may, up to twice in each BSC Season, (subject to paragraph 3.4.4), also estimate and notify decreases in the <u>maximum</u> magnitude <u>of the</u> negative value of QM_{ij} where the Lead Party becomes aware of or believes in good faith that such value <u>divided by SPD</u> will become greater than DC for the remainder of the BSC Season. The Lead Party shall estimate and notify to the CRA such amount as specified in paragraph 3.4.5.</p>
3.	<i>ELEXON</i>	R 2.1.2	Reference adjustment	<p>This move was bought to the January '04 Panel meeting, where removal of BSCP07 was approved. Thus consequential changes are noted. (Refer to paper 71/015 – Decommissioning of BSCP07 : ISG Recommendation)</p> <p>2.1.2 In accordance with BSCP-07, the CDCA shall:</p> <p>(a) validate (as to completeness and form) registration data submitted to it by the CRA;</p>

	Identified by	Section(s)/ Area(s) Affected	Type of Change	Description of Change
				<p>(b) record and maintain such validated data; and</p> <p>(c) where the CRA fails to submit any registration data to the CDCA, or any registration data which is submitted fails validation, so inform the CRA and request the CRA to submit or correct and submit the registration data.</p>
4.	<i>ELEXON</i>	Annex T-1, 3.1(f)	manifest error	<p>TTQUAB is a term that means NIV Tagged System Total Un-priced Bid Volume, the text preceding the brackets should reflect the term in the brackets. Furthermore, the sentence is referring to determining the NIV Tagged System Total Un-priced Bid_volume, and thus to include the Offer terminology is clearly inconsistent with the intent of that clause. Therefore 'Offer' should be 'bid'</p> <p>If none of the System Total Un-priced Bid Volume for the relevant Settlement Period is NIV Tagged System Total Un-priced Bid Volume (TTQUAB_i), the value of NIV Tagged System Total Un-priced Offer-Bid_Volume (TTQUAB_i) shall be set to zero for that Settlement Period.</p>

ANNEX 3 – LEGAL TEXT FOR PROPOSED CHANGE 1 (SECTION J AND SECTION L)

J 1.4.2(e)

the carrying out of those functions, duties and responsibilities accorded to it in BSCP ~~526~~27 and BSCP 535 together with such monitoring and technical assurance functions, duties and responsibilities referred to in Section L as are assigned to it by the Panel from time to time; and

L 7

7.2 Provision of information

7.2.1 Each SMRA and the CDCA shall submit to BSCCo details of the Half Hourly Metering Systems and the associated Registrants respectively registered in SMRS or CMRS in accordance with ~~BSCP 26~~BSCP 27 or (as respects SVA Metering Systems) the relevant provisions of the MRA.

7.2.2 BSCCo shall periodically submit to the TAA, in accordance with ~~BSCP 26 (as regards CVA Metering Systems) and BSCP 526 (as regards SVA Metering Systems)~~BSCP 27, a list of the Metering Systems and the associated Registrants, from which sample visits shall be selected in accordance with paragraph 7.3.

7.2.3 The Registrant of each Metering System shall provide the TAA with records, data and other information in accordance with ~~BSCP 26 or BSCP 526 (as the case may be)~~BSCP 27, and each Party irrevocably agrees to the release to and use by the TAA of all such records, data and other information in the circumstances described in this Section L.

7.2.4 The CDCA shall provide the TAA with such Meter Technical Details in relation to CVA Metering Systems as the TAA may request in accordance with ~~BSCP 26~~BSCP 27.

7.3 Site Selection

7.3.1 BSCCo shall determine and instruct to the TAA, in relation to each BSC Year, consistent with any guidance or instructions from the Panel, and in accordance with ~~BSCP 26 or BSCP 526 (as the case may be)~~BSCP 27, the total number of Metering Systems to be inspected.

7.3.2 The TAA shall select the sample of Metering Systems to be inspected in each BSC Year in accordance with BSCCo's instructions under paragraph 7.3.1 and consistent with the further provisions of this paragraph 7.3 and in accordance with ~~BSCP 26 or BSCP 526 (as the case may be)~~BSCP 27.

7.3.3 The sample shall be selected consistent with the following principles:

(a) the sample shall allow for:

(i) inspection ("**targeted inspection**") of a number of Metering Systems in relation to which non-compliance is suspected, as notified by BSCCo to the TAA or on the basis of the information provided to the TAA by other persons;

- (ii) inspection ("**re-inspection**") of a number of Metering Systems in relation to which non-compliance was previously identified and has subsequently been reported to have been rectified by the Registrant;
- (b) the sample shall be representative of the Metering Systems respectively registered in CMRS and each SMRS;
- (c) the sample shall be representative of:
 - (i) Meter Operator Agent;
 - (ii) type of Metering Equipment;
 - (iii) Code of Practice;
 - (iv) Registrant;
 - (v) GSP Group (for SVA Metering Systems);
 - (vi) previous inspection(s);

and shall not be biased towards any one Registrant, Meter Operator Agent, GSP Group or type of Metering Equipment.

7.4 Site Visits

- 7.4.1 The TAA shall notify the Registrant whose Metering System(s) are selected for inspection, giving the Registrant such period of notice prior to the inspection as may be required in accordance with ~~BSCP 26 or BSCP 526 (as the case may be)~~ BSCP 27.
- 7.4.2 The TAA shall invite the Registrant or a nominated representative to attend the inspection, and the Registrant shall ensure that the Meter Operator Agent attends (by a suitably competent person).
- 7.4.3 The Registrant shall confirm to the TAA in accordance with ~~BSCP 26 or BSCP 526 (as the case may be)~~ BSCP 27:
 - (a) the attendance of the Meter Operator Agent; and
 - (b) the identity of other attendees who will be present.
- 7.4.4 The Registrant shall, in accordance with ~~BSCP 26 or BSCP 526 (as the case may be)~~ BSCP 27, make appropriate arrangements to ensure access to all elements of the Metering Equipment being inspected in accordance with the requirements of paragraph 6.
- 7.4.5 The Registrant shall bear all costs of its and its Meter Operator Agent's attending an inspection (but without prejudice to its right to charge any other person for such service pursuant to another agreement or arrangement).

7.5 Non-Compliance

- 7.5.1 The TAA shall determine that a Metering System is non-compliant if, after taking account of any applicable Metering Dispensations, the requirements of the Code and the relevant Code(s) of Practice are not being adhered to and if configurable meter parameters are not consistent with the Meter Technical Details supplied by the Registrant.
- 7.5.2 Where a Metering System has been determined to be non-compliant, the Registrant shall:
- (a) ensure that the non-compliance is rectified, to the extent to which it can be rectified directly by the Meter Operator Agent;
 - (b) otherwise, take all reasonable steps to ensure that a person which can directly rectify the non-compliance does so.
- 7.5.3 Following the rectification of a Metering System which is materially non-compliant, BSCCo shall, where in its discretion it considers it appropriate to do so having regard to the nature of such rectification, require the Registrant to carry out the relevant Code of Practice Four tests and validation testing in accordance with the relevant BSC Procedures and the TAA may attend and/or request details of any such testing carried out.
- 7.5.4 For the purposes of paragraph 7.5.3, a Metering System is "materially non-compliant" if the TAA considers that the non-compliance of that Metering System is likely to affect the quality of data used in Settlement.
- 7.5.5 The Registrant of a Metering System determined by the TAA to be non-compliant following an inspection may refer to the Panel the question of whether the requirements referred to in paragraph 7.5.1 are being adhered to in relation to the Metering System.

7.6 Reporting

- 7.6.1 On completion of an inspection, the TAA shall issue notices of compliance or non-compliance to the Registrant and BSCCo by the date required under ~~BSCP 26 (as regards CVA Metering Systems) or BSCP 526 (as regards SVA Metering Systems)~~ BSPC 27.
- 7.6.2 Where a Metering System is determined by an inspection to be non-compliant, the TAA shall provide the Registrant with a report detailing the areas of non-compliance.
- 7.6.3 The TAA shall provide the Registrant with a reminder, in the form of a re-issued non-compliance report, if the Registrant has failed to rectify the non-compliance by the date required under ~~BSCP 26 or BSCP 526 (as the case may be)~~ BSCP 27.
- 7.6.4 In relation to each month the TAA shall, by the date required under ~~BSCP 26 or BSCP 526 (as the case may be)~~ BSCP 27:
- (a) submit a report (in a format approved by BSCCo) summarising all inspections falling due within that month; and

after amending the report to take account of any comments of BSCCo, submit the report to the Panel, the Performance Assurance Board and the BSC Auditor.