

P157 ALTERNATIVE LEGAL TEXT

SECTION S ANNEX S-1 (version 5 including Approved Modifications awaiting implementation)

Amend paragraph 3.2.1 as follows:

3.2.1 A Supplier who fails to comply with Serial SP08a shall be liable to the charge set out in the table below against the relevant item in Serial SP08a:

Item in Serial SP08a (as referred to in the table in paragraph 2.2.1)	Amount per Chargeable MWh
Initial Volume Allocation Run	No Charge
First Reconciliation Volume Allocation Run	No Charge
Second Reconciliation Volume Allocation Run	No Charge
Third Reconciliation Volume Allocation Run	No Charge
Final Reconciliation Volume Allocation Run	£0.20 or such amount as is decided in accordance with paragraphs 3.8.1B and 3.8.2(b).

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Amend paragraph 3.3.1 as follows:

3.3.1 A Supplier who fails to comply with Serial SP08b shall be liable to the charge determined in accordance with the table below:

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Item in Serial SP08b (as referred to in paragraph 2.2.4)	Amount per Chargeable MWh
Initial Volume Allocation Run	No Charge
First Reconciliation Volume Allocation Run	£3.21 or such amount as is decided in accordance with paragraphs 3.8.1B and 3.8.2(b).
Second Reconciliation Volume Allocation Run	£0.00 No Charge
Third Reconciliation Volume Allocation Run	£0.00 No Charge
Final Reconciliation Volume Allocation Run	£0.00 No Charge

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Amend paragraph 3.4.1 as follows:

3.4.1 A Supplier who fails to comply with Serial SP08c shall be liable to a charge of £3.21 per Chargeable MWh, or such amount as is decided in accordance with paragraphs 3.8.1B and 3.8.2(b).

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Amend paragraph 3.5.1 as follows:

3.5.1 Subject to paragraph 3.5.2, a Supplier who fails to comply with Serial SP04 shall be liable, in relation to each relevant Metering System in respect of which it has failed to comply, to a charge of ~~£1.66~~ per day (or part thereof) or such amount as is decided in accordance with paragraphs 3.8.1B and 3.8.2(b), for the duration of the non-compliance. Amend paragraph 3.6.1 as follows:

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3.6.1 Subject to paragraph 3.6.2, a Supplier who fails to comply with Serial SP01 or (as the case may be) Serial SP02 shall be liable to a charge of ~~£20~~ per Business Day or part thereof, or such amount as is decided in accordance with paragraphs 3.8.1B and 3.8.2(b), where either or both one or more of its Routine Performance Monitoring Reports is not provided or, one or more of its Routine Performance Monitoring Logs is not maintained in accordance with the time limits and in the manner specified in paragraphs 2.5.1 and 2.5.2 respectively.

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Add new paragraph 3.6.2 as follows:

3.6.2 For the purposes of paragraph 3.6.1, the charge of £20 per Business Day, if incurred, shall continue for the duration of the non-compliance or 12 months, whichever is the earlier.

Add new paragraph 3.6.3 as follows:

3.6.3 No Routine Performance Monitoring Report shall be taken into account or used where such Report is provided by a Supplier at any time later than 12 months from the date such Report was required to be provided. No updating or maintenance of a Routine Performance Monitoring Log shall be taken into account or used where such updating or maintenance is done by a Supplier at any time later than 12 months from the date such updating or maintenance should have been done.

Amend paragraph 3.7.1 as follows:

3.7.1 A Supplier's liability to pay the charges specified in paragraphs 3.2.1, 3.3.1 and 3.4.1 in respect of any month in respect of a GSP Group (after taking account of its due proportion of such charges receivable pursuant to paragraph 4.1.13) shall in no circumstances exceed the Supplier's Monthly Cap.

Amend paragraph 3.7.2 as follows:

3.7.2 A Supplier's Monthly Cap for any month in respect of a GSP Group shall be calculated by the Performance Assurance Board on or before the end of the next succeeding month (on the basis of the then latest available Volume Allocation Run) according to the following formula:

$S_c = 0.01 * SCT * CAP$

where:

S_c means the Supplier's Monthly Cap for the relevant month;

SCT means the total quantity of active import energy attributable to that Supplier determined as the sum of Supplier Cap Take for that Supplier in the relevant GSP Group across all Settlement Periods in the relevant month; and

CAP means the value of Credit Assessment Price in effect on the first day of the relevant month.

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Delete existing paragraph 3.7.3:

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Delete existing paragraph 3.8.1 ~~($\frac{GSP_A}{GSP_{AS}}$)~~ and replace as follows:

3.8.1

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3.8.1A The Panel shall in accordance with this paragraph 3.8.1 review each of the charges set out in paragraphs 3.2.1, 3.3.1, 3.4.1, 3.5.1 and ~~RPI_F~~

(a) at the expiry of every successive two year period after the Implementation Date of the Approved Modification that first introduced this paragraph 3.8.1A; or

(b) more frequently if the Panel so decides provided that no review shall occur sooner than one year after the completion of the previous review.

All reviews by the Panel shall compare the then current charges with the values obtained by applying the methodology contained in the Appendix to this Annex S-1.

3.8.1B The Panel in its discretion may decide to revise each or any of the charges specified in paragraphs 3.2.1, 3.3.1, 3.4.1, 3.5.1 or 3.6.1. Such revision shall only reflect (and be in accordance with) the results of the relevant review undertaken in accordance with paragraph 3.8.1A.

Add new paragraph 3.8.2 as follows:

3.8.2 If the Panel so revises any of the charges in accordance with paragraph 3.8.1B:

(a) the Panel shall notify each Trading Party and appropriate BSC Agent of the revised charges and publish the revised charges on the BSC Website; and

(b) the revised charges shall be effective for the purposes of the Code from the date specified by the Panel, which shall not be:

(i) earlier than the 20th Business Day following the date of notification by the Panel under paragraph (a) or

(ii) any day other than the first day of a month.

Delete existing paragraph 3.9.1 as replace as follows:

3.9.1 Not used.

Delete existing paragraph 3.9.2 and replace as follows:

3.9.2 Not used.

Insert new paragraph 3.9.1A:

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GSP_{MC} = £1,275,000 x
where:
GSP_{MC} means the GSP Group liability cap for the relevant month;
GSP_A means the total quantity of energy (rounded to the nearest two decimal places) attributable

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3.9.1A The charges set out in paragraphs 3.2.1, 3.3.1, 3.4.1, 3.5.1 and 3.6.1 shall apply in respect of all Serials on and from the Implementation Date of the Approved Modification that first introduced this paragraph 3.9.1A (the “Charges Cutover Date”), and irrespective of whether any non-compliance (whether in whole or in part) by the Supplier with the relevant Serial took place on a Settlement Day which occurred prior to the Charges Cutover Date.

Amend paragraph 4.1.3 as follows:

4.1.3 When making its determination pursuant to paragraph 4.1.1 in relation to Serials SP08a, SP08b and SP08c as to whether a Supplier has failed to comply with any of the Serials and the associated charges payable by the Supplier:

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- (a) the Performance Assurance Board shall compare the Supplier’s Net Liability for the relevant month (calculated as S_{NL} below) with the Supplier’s Monthly Cap;
- (b) if the Supplier’s Net Liability exceeds the Supplier’s Monthly Cap then the total charges set out in paragraphs 3.2, 3.3 and 3.4 payable by the Supplier in respect of the relevant month shall be calculated according to the following formula (instead of by general application of the Menu of Supplier Charges):-

$$\text{Supplier's charges} = S_{TGC} \times \left(\frac{S_C}{S_{NL}} \right)$$

where:-

S_{TGC} is the total charges set out in paragraphs 3.2, 3.3 and 3.4 which would be payable by the Supplier for the relevant month under this paragraph 4 in respect of the relevant GSP Group before the application of this paragraph;

S_C is the Supplier’s Monthly Cap for the relevant month (calculated pursuant to paragraph 3.7.2 of the Menu of Supplier Charges); and

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S_{NL} is the total charges set out in paragraphs 3.2, 3.3 and 3.4 which would be payable by the Supplier for the relevant month under this paragraph 4 in respect of the relevant GSP Group before the application of this paragraph 4.1.3, less any due proportion of those charges payable by the Supplier which would otherwise be receivable by the Supplier pursuant to paragraph 4.1.13 before the application of this paragraph.

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Amend paragraph 4.1.4 as follows:

4.1.4 As soon as practicable following a determination pursuant to paragraph 4.1.1, the Performance Assurance Board shall notify each Supplier of the amount (if any) due from it pursuant to this paragraph in respect of any particular month in respect of failures to comply with any of the Serials and any such notice shall specify the GSP Group (where relevant) in relation to which the relevant amount is payable by a Supplier (where relevant).

SECTION X ANNEX X-2 (version 16 including Approved Modifications awaiting implementation)

Add new defined term to Table X-5 of Annex X-2 as follows:

S_{HZ} = means summed over all Suppliers (Z) in all relevant GSP Groups (H)

S_g = means summed over all qualifying Suppliers;

S_i^{T4} = is the summation over all Settlement Periods, j, for the number of days represented by the SP04 day count, (T4)

Σ_T^y = means summed over all Settlement Days (T) in a Calendar year (y);

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Add new defined terms to Table X-6 of Annex X-2 as follows:

Expression	Acronym	Units	Definition
<u>Annualised Consumption Profile</u>	<u>ACP_{Ki}</u>		<u>Profile shaped load of the same yearly consumption as the relevant Sample Customer data for all Settlement Periods, j, in a calendar year</u>
<u>Average Cost of Uncertainty in Non Half Hourly Metering</u>	COUNHH	£ per day	The volume weighted average of the average cost of the volume uncertainty between a Metering System settled on a profile or a Metering System settled on Half Hourly consumption values
<u>Average Volume in a Non Half Hourly Meter</u>	<u>AV</u>	<u>MWh</u>	is the total NHH Energy settled in a year divided by the average number of NHH Metering Systems
<u>Central Incremental Costs</u>	<u>CI</u>	<u>£/MWh</u>	The central costs associated with poor Supplier performance and attributed to the volume of energy in the market
<u>Cost of Uncertainty in a Day</u>	<u>CUD_K</u>	£ per day	The average cost of volume uncertainty between a Metering System settled on a profile and a Metering System settled on Half Hourly consumption values
<u>Default Period Profile Class Coefficients</u>	<u>DPPCC_{Pi}</u>		is the Default Period Profile Class Coefficients for the relevant load factor for the particular Metering System K, for all Settlement Periods, j, in a calendar year
<u>Half Hourly Change in Estimated Volume</u>	<u>HHEC_{HZT}</u>	<u>Number</u>	The change in the percentage of estimated values between the Initial Settlement Volume Allocation Run and a later Volume Allocation Run in relation to the relevant Supplier, in the relevant GSP Group, on the relevant Settlement Day

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<u>Non Half Hourly Change in Estimated Volume</u>	<u>NHHEC_{HZT}</u>	<u>Number</u>	<u>The change in the percentage of EACs between the Initial Settlement Volume Allocation Run and a later Volume Allocation Run in relation to the relevant Supplier in the relevant GSP Group, on the relevant Settlement Day</u>	Formatted: Not Highlight Formatted: Not Highlight
<u>Performance Related Costs</u>	<u>PRC</u>	<u>£</u>	<u>The central costs associated with poor Supplier performance</u>	
<u>Sample Customer</u>	<u>SC_{ki}</u>		<u>Half Hourly Customer data spanning a one year period for a Metering System for all Settlement Periods, j, in a calendar year</u>	
<u>Volume Uncertainty in an average estimated value</u>	<u>VU_{HZ}</u>		<u>The average volume uncertainty in average estimated data for the relevant Supplier in the relevant GSP Group</u>	
<u>Volume Change</u>	<u>VC_{HZT}</u>	<u>Number</u>	<u>The change in the volume of energy between the Initial Settlement Volume Allocation and a later Volume Allocation Run as a proportion of the volume at the Initial Settlement Volume Allocation Run in relation to the relevant Supplier in the relevant GSP Group, on the relevant Settlement Day</u>	

Add new defined terms to Table X-7 of Annex X-2 as follows:

Acronym	Corresponding Defined Term or Expression	
<u>ACP</u>	<u>Annualised Consumption Profile</u>	
<u>CI</u>	<u>Central Incremental Costs</u>	
<u>COUNHH</u>	<u>Average Cost of Uncertainty in Non Half Hourly Metering</u>	Formatted: Tabs: Not at 1.75 cm + 3.5 cm + 5.25 cm + 7 cm + 8.75 cm
<u>CUD_k</u>	<u>Cost of Uncertainty in a Day</u>	Formatted: Tabs: Not at 1.75 cm + 3.5 cm + 5.25 cm + 7 cm + 8.75 cm
<u>DPPCC_{pi}</u>	<u>Default Period Profile Class Coefficients</u>	Formatted: Subscript
<u>IPD</u>	<u>Imbalance Price Differential</u>	Formatted: Subscript
<u>HHEC_{HZT}</u>	<u>Half Hourly Energy change in estimated volume</u>	Formatted: Subscript
<u>NHHEC_{HZT}</u>	<u>Non-Half Hourly Energy change in estimated volume</u>	Formatted: Subscript
<u>PRC</u>	<u>Performance Related Costs</u>	
<u>SC_{ki}</u>	<u>Sample Customer</u>	Formatted: Tabs: Not at 1.75 cm + 3.5 cm + 5.25 cm + 7 cm + 8.75 cm
<u>VC_{HZT}</u>	<u>Volume Change</u>	Formatted: Subscript
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<u>VU_{Hz}</u>	<u>Volume Uncertainty</u>
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Add new Appendix to Annex S-1 of Section S as follows:

APPENDIX
to Annex S-1

Methodology for deriving Supplier Charges

This methodology:

- a) was used to determine the charges set out in paragraphs S-1 3.2.1, 3.3.1, 3.4.1, 3.5.1 and 3.6.1 which were applicable on the Charges Cutover Date; and
- b) shall be used for the purposes of any review carried out in accordance with Annex S-1 3.8.1A.

1. The derivation of the charges

- (a) The derivation of the charge for Serials SP01 and SP02 is the Administration Cost set out in paragraph 2;
- (b) The derivation of the charge for Serial SP04 is the Average Cost of Uncertainty in NHH Metering set out in paragraph 3
- (c) The derivation of the charge for Serial SP08a shall be the sum of:

- (i) the Average Cost of Average Uncertainty in an Average NHH EAC Value;
- (ii) the Central Incremental Costs; and
- (iii) the Cost to Suppliers to Correct Imperfect Data

set out in paragraph 4; and

- (d) The derivation of the charge for Serials SP08b and SP08c shall be the sum of:

- (i) the Average Cost of Average Uncertainty in an Average HH Estimate Value; and
- (ii) the Central Incremental Costs

set out in paragraph 5.

No charge contained in the Menu of Supplier Charges shall include any estimated amount representing any loss that a Supplier has caused itself by its failure to comply with the relevant Serial.

2. SP01 and SP02

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Administration cost

This calculation is the derivation of the charge for SP01 and SP02 because late or missing Reports or Logs incur additional BSCCo costs.

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Administration Cost (in £ per day or part thereof) shall be calculated as follows:

Administration Cost = N*c

where

N means the estimated number of BSCCo man days (or part thereof) required to perform all functions resulting from the lack of submission, or late submission, of PARMs Serials (such costs shall include, but shall not be limited to, BSCCo contacting relevant Parties to advise of late or missing reports, BSCCo re-calculating or re-determining the amount due from a Supplier pursuant to Annex S-1 in respect of a failure to comply with any of the Serials); and

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c means the average cost of a BSCCo man day (averaged over the grades of staff likely to be involved in performing such functions).

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The Administration Cost shall apply in relation to Serials SP01 and SP02.

3. SP04

Average Cost of Uncertainty in NHH Metering

This calculation is the derivation of the charge for SP04 because in the event that a Supplier fails to install a HH meter at a 100kW site, the site would be traded on a profile and the error in the allocated profile would feed into the GSP Group Correction Factor reducing the accuracy of the outcome of Settlement for all the NHH Suppliers in that GSP Group. The Average Cost of Uncertainty reflects the error that is passed into the GSP Group Correction Factor.

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The Average Cost of Uncertainty in Non Half Hourly Metering (COUNHH) (in £ per day or part thereof) shall be determined as follows:

$$\text{COUNHH} = \sum_K (\text{CUD}_K * \sum_{SC_{Kj}}) / \sum_K \sum_{SC_{Kj}}$$

where

\sum_K means summed over all SVA Metering Systems "K" in the Sample.

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The Sample (SC) shall be a reasonable number of 100kW Metering Systems (K) that have load factors equivalent to the load factors for Profile Classes 5, 6, 7 and 8 and a maximum demand in the range 100kW to 120kW over a calendar year.

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CUD_K for each Metering System K which forms part of the Sample, means Cost of Uncertainty in a Day and is calculated as follows:

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$$\text{CUD}_K = \sum_i^{T^4} \{ |SC_{Kj} - ACP_{Kj}| * ((SBP_i - SSP_i) / 2) \} / T^4$$

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where

$\sum_i^{T^4}$ is the summation over all Settlement Periods, i, for the number of days represented by the SP04 day count, T⁴.

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T4 means the SP04 day count and is the number of days determined as reasonable for use in the calculation of CUD_K, taking into account any changes in pricing and all other relevant circumstances.

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ACP_{Kj} means, in respect of each Metering System used in the Sample, the Annualised Consumption Profile, and is calculated as follows:

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$$ACP_{Kj} = \sum_j SC_{Kj} * DPPCC_{Pj}$$

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where

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S_j means summed over all Settlement Periods, j, in a calendar year

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DPPCC_{Pj} is the Default Period Profile Class Coefficients for the relevant load factor for the particular Metering System K, for all Settlement Periods, j, in a calendar year

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P is the Profile Class

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SC_{Kj} is the Sample Customer Data which is demand data for a sample of Metering Systems, K, for all Settlement Periods, j, in a calendar year.

4. SP08a

Average Cost of Average Uncertainty in an Average NHH EAC Value

This component forms part of the derivation of the charge for SP08a because it calculates an approximation of the volume uncertainty in an average estimated value entered into Settlement and calculates how much that volume change would cost other Suppliers.

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The Average Cost of Average Uncertainty in an Average NHH EAC Value (in £ per MWh) shall be calculated as follows:

Average Cost of Average Uncertainty in an Average NHH EAC Value = VWA * IPD

where:

IPD means Imbalance Price Differential and shall be calculated as follows:

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$$IPD = |(\hat{a}_1 SBP_j / \text{Number of Periods}) - (\hat{a}_1 SSP_j / \text{Number of Periods})| / 2$$

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S_j means summed over all Settlement Periods j in the Sample time period used.

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The data used in this calculation shall be a sample of Suppliers (Z) in a sample of GSP Groups (H) for a sample of Settlement Days (T). The values for Z, H and T shall be those determined, taking into account all relevant circumstances, to be reasonable for use in the calculation of IPD.

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VWA is a volume weighted average calculated as the average of all VU_{HZ} for all Supplier/GSP Group combinations for the sample selected, weighted according to the average volume at SF for each Supplier/GSP Group combination over the sample Settlement Days.

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where:

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VU_{HZ} is calculated as follows:

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$$VU_{HZ} = (\sum_T NHHEC_{HZZ}) / (\sum_T VC_{HZZ})$$

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where:

For each Supplier (Z) in each GSP Group (H) for each Settlement Day the change in Percentage of EACs on each Sample Settlement Day (NHHEC_{HZZ}) shall be calculated as follows:

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$$NHHEC_{HZZ} = (NHHE_{HZZSF} / TV_{HZZSF}) - (NHHE_{HZZRX} / TV_{HZZRX})$$

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where:

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VC_{HZZ} is the Percentage Volume change for each Supplier in each GSP Group for each Settlement Day, and shall be calculated as:

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$$VC_{HZZ} = | TV_{HZZRX} - TV_{HZZSF} | / TV_{HZZSF}$$

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where:

R_x is the latest appropriate Volume Allocation Run used; and

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SF is the Initial Settlement Volume Allocation Run.

TV_{HZZ} means NHHA_{HZZ} + NHHE_{HZZ}

NHHE_{HZZ} means $\sum_{N(EAC)} \sum_i (C_{INI} + CLOSS_{INI})$;

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NHHA_{HZZ} means $\sum_{N(AA)} \sum_i (C_{INI} + CLOSS_{INI})$;

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$\sum_{N(AA)}$ means summed over all Consumption Component Classes (N) that are associated with Annualised Advances. For the avoidance of doubt, values associated with Consumption Component Classes associated with Third Party Generating Plant comprised in SVA Metering Systems shall be added to those values associated with all other Consumption Component Classes; and

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$\sum_{N(EAC)}$ means summed over all Consumption Component Classes (N) that are associated with Estimated Annual Consumptions and are not associated with Unmetered Supplies. For the avoidance of doubt, values associated with

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Consumption Component Classes associated with Third Party Generating Plant comprised in SVA Metering Systems shall be added to those values associated with all other Consumption Component Classes;

Central Incremental Costs

This component forms part of the derivation of the charge for SP08a because incremental costs relating to various aspects of the Performance Assurance Framework (PAF) are likely to be incurred as a result of Supplier under-performance.

The Central Incremental Costs (CI) (in £ per MWh) shall be calculated as follows:

$$CI = \frac{PRC}{\sum_T \sum_{HZ} (NHHE_{HZ} + NHHA_{HZ} + HHE_{HZ} + HHA_{HZ})}$$

where:

PRC means the estimated central cost savings associated with Supplier performance improvement (£) in a calendar year “y”

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The estimate of such central cost savings should include, but not be limited to, those associated with:

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- BSC Audit costs;
- technical assurance of Metering Systems;
- Certification;
- Performance Assurance Board; and
- BSCCo Assurance duties.

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\sum_T means summed over all Settlement Days “T” in a calendar year “y”;

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S_{HZ} means summed over all Suppliers (Z) in all relevant GSP Groups (H);

$NHHA_{HZ}$ means $\sum_{N(AA)} \sum_i (C_{iN_i} + CLOSS_{iN_i})$;

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$NHHE_{HZ}$ means $\sum_{N(EAC)} \sum_i (C_{iN_i} + CLOSS_{iN_i})$;

$\sum_{N(AA)}$ means summed over all Consumption Component Classes (N) that are associated with Annualised Advances. For the avoidance of doubt, values associated with Consumption Component Classes associated with Third Party Generating Plant comprised in SVA Metering Systems shall be added to those values associated with all other Consumption Component Classes; and

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$\sum_{N(EAC)}$ means summed over all Consumption Component Classes (N) that are associated with Estimated Annual Consumptions and are not associated with Unmetered Supplies. For the avoidance of doubt, values associated with Consumption Component Classes associated with Third Party Generating Plant

comprised in SVA Metering Systems shall be added to those values associated with all other Consumption Component Classes

HHA_{HZ} means $\sum_{N(HHA)} \sum_i (C_{iN} + CLOSS_{iN})$

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HHE_{HZ} means $\sum_{N(HHE)} \sum_i (C_{iN} + CLOSS_{iN})$

$\sum_{N(HHA)}$ means summed over all Consumption Component Classes (N) that are associated with actual values and with half hourly data aggregation in relation to premises which are 100kW Premises save those Consumption Component Classes associated with Third Party Generating Plant comprised in SVA Metering System(s);

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$\sum_{N(HHE)}$ means summed over all Consumption Component Classes (N) that are associated with estimated values and with half hourly data aggregation in relation to premises which are 100kW Premises save those Consumption Component Classes associated with Third Party Generating Plant comprised in SVA Metering System(s).

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Cost to Suppliers to Correct Imperfect Data

This component forms part of the derivation of the charge for SPO8a because the receipt of incorrect data would be likely to result in a NHH Supplier not reaching its Performance Target. If this data is not corrected and a Customer changes Supplier, the Supplier will pass on this problem to the new Supplier.

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The Cost to Suppliers to Correct Imperfect Data (CIP) in (in £ per MWh) shall be calculated as follows:

$(CIP) = CR * FC$

where:

CR is the number of Change of Supplier Metering Systems compared with the total number of Metering Systems, in decimal points over the time period γ and should take a value of 30%.

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FC is the cost of correcting erroneous data, per volume of energy corrected, and is calculated as:

$FC = (hr * d) / (AV * \gamma)$

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where:

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hr is the estimated man hour cost to the Supplier of an employee undertaking correction of imperfect data (£ per hour or part thereof) and shall take the value of £10 per hour, indexed annually in accordance with the Average Earnings Index (AEI) maintained by the National Statistics Office (or any equivalent index which substitutes or replaces the AEI);

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d is the estimated time required to correct imperfect data and means 15 minutes;

AV is the total NHH Energy settled in a year divided by the average number of NHH Metering Systems rounded to the nearest MWh;

y is the estimated length of time in years that the correction made to imperfect data will remain valid, and shall take the value of 2 years.

5. SP08b and c

Average Cost of Average Uncertainty in an Average HH Estimated Value

This component forms part of the derivation of the charge for SP08b and c because it calculates an approximation of the volume uncertainty in an average estimated value entered into Settlement and costs how much that volume change would cost other Suppliers.

The Average Cost of Average Uncertainty in an Average HH Estimated Value (in £ per MWh) shall be calculated as follows:

Average Cost of Average Uncertainty in an Average HH Estimate Value = VWA * IPD

where:

IPD means Imbalance Price Differential and shall be calculated as follows:

$IPD = |(\sum_j SBP_j / \text{Number of Periods}) - (\sum_j SSP_j / \text{Number of Periods})| / 2$

where

S_j is the summation over all Settlement Periods j in the sample time period used.

The data used in this calculation shall be a sample of Suppliers (Z) in a sample of GSP Groups (H) for a sample of Settlement Days (T). The values for Z, H and T shall be those determined, taking into account all relevant circumstances, to be reasonable for use in the calculation of IPD.

VWA is a volume weighted average calculated as the average of all VU_{HZ} for all Supplier/GSP Group combinations for the sample selected, weighted according to the average volume at SF for each Supplier/GSP Group combination over the sample Settlement Days.

where:

VU_{HZ} is calculated as follows:

$VU_{HZ} = (\sum_T HHEC_{HZT}) / (\sum_T VC_{HZT})$

where:

For each Supplier in each GSP Group for each Settlement Day the change in Percentage of estimates on each Sample Settlement Day (HHEC_{HZT}) shall be calculated as follows:

$HHEC_{HZT} = (HHE_{HZT} / TV_{HZTSF}) - (HHE_{HZT} / TV_{HZTRX})$

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$VC_{H_{ZT}}$ is the Percentage Volume change for each Supplier in each GSP Group for each Settlement Day, and shall be calculated as:

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$$VC_{H_{ZT}} = \frac{TV_{H_{ZTRx}} - TV_{H_{ZTSF}}}{TV_{H_{ZTSF}}}$$

where:

R_x is the latest appropriate Volume Allocation Run used;

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SF is the Initial Settlement Volume Allocation Run;

$TV_{H_{ZT}}$ means $HHA_{H_{ZT}} + HHE_{H_{ZT}}$;

$HHE_{H_{ZT}}$ means $\sum_{N(HHE)} \sum_i (C_{INI} + CLOSS_{INI})$;

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$HHA_{H_{ZT}}$ means $\sum_{N(HHA)} \sum_i (C_{INI} + CLOSS_{INI})$;

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$\sum_{N(HHA)}$ means summed over all Consumption Component Classes (N) that are associated with actual values and with half hourly data aggregation in relation to premises which are 100kW Premises save those Consumption Component Classes associated with Third Party Generating Plant comprised in SVA Metering System(s);

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$\sum_{N(HHE)}$ means summed over all Consumption Component Classes (N) that are associated with estimated values and with half hourly data aggregation in relation to premises which are 100kW Premises save those Consumption Component Classes associated with Third Party Generating Plant comprised in SVA Metering System(s);

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Central Incremental Costs

This component forms part of the derivation of the charge for SP08b and c because incremental costs relating to various aspects of the Performance Assurance Framework (PAF) are likely to be incurred as a result of Supplier under-performance.

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The Central Incremental costs (CI) in (£/MWh) shall be calculated as follows:

$$CI = \frac{PRC}{\hat{a}_T^y \hat{a}_{HZ}} (NHHE_{HZ} + NHHA_{HZ} + HHE_{HZ} + HHA_{HZ})$$

where:

PRC means the estimated central cost savings associated with supplier performance improvement (£) in a calendar year “y”

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The estimate of such central cost savings should include, but not be limited to, those associated with:

- BSC Audit costs;
- technical assurance of Metering Systems;
- Certification;
- Performance Assurance Board; and
- BSCCo Assurance duties.

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\sum^y_T means summed over all Settlement Days “T” in a calendar year “y”;

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S_{HZ} means summed over all Suppliers (Z) in all relevant GSP Groups (H);

$NHHA_{HZ}$ means $\sum_{N(AA)} \sum_i (C_{iNi} + CLOSS_{iNi})$;

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$NHHE_{HZ}$ means $\sum_{N(EAC)} \sum_i (C_{iNi} + CLOSS_{iNi})$;

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$\sum_{N(AA)}$ means summed over all Consumption Component Classes (N) that are associated with Annualised Advances. For the avoidance of doubt, values associated with Consumption Component Classes associated with Third Party Generating Plant comprised in SVA Metering Systems shall be added to those values associated with all other Consumption Component Classes;

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$\sum_{N(EAC)}$ means summed over all Consumption Component Classes (N) that are associated with Estimated Annual Consumptions and are not associated with Unmetered Supplies. For the avoidance of doubt, values associated with Consumption Component Classes associated with Third Party Generating Plant comprised in SVA Metering Systems shall be added to those values associated with all other Consumption Component Classes;

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HHA_{HZ} means $\sum_{N(HHA)} \sum_i (C_{iNi} + CLOSS_{iNi})$

HHE_{HZ} means $\sum_{N(HHE)} \sum_i (C_{iNi} + CLOSS_{iNi})$;

$\sum_{N(HHA)}$ means summed over all Consumption Component Classes (N) that are associated with actual values and with half hourly data aggregation in relation to premises which are 100kW Premises save those Consumption Component Classes associated with Third Party Generating Plant comprised in SVA Metering System(s);

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$\sum_{N(HHE)}$ means summed over all Consumption Component Classes (N) that are associated with estimated values and with half hourly data aggregation in relation to premises which are 100kW Premises save those Consumption Component Classes associated with Third Party Generating Plant comprised in SVA Metering System(s).

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The GSP Group liability cap in respect of a GSP Group for any month shall be calculated by the Performance Assurance Board on or before 30th April in each year (in each case, on the basis of the then latest available Volume Allocation Run) according to the following formula:-

$$\text{GSP}_{\text{MC}} = \text{£}1,275,000 \times$$

where:-

GSP_{MC} means the GSP Group liability cap for the relevant month;

GSP_{A} means the total quantity of energy (rounded to the nearest two decimal places) attributable to all Suppliers determined as the GSP Group Take in that GSP Group across all Settlement Periods in the 12 month period ending on the immediately preceding 31st March, as determined by the Performance Assurance Board on the basis of information provided by the SVAA; and

GSP_{AS} means the total quantity of energy (rounded to the nearest two decimal places) attributable to all Suppliers determined as the sum of all GSP Group Takes for all GSP Groups across all Settlement Periods in the 12 month period ending on the immediately preceding 31st March, as determined by the Performance Assurance Board on the basis of information provided by the SVAA.

3.7.4 The Performance Assurance Board shall, in its discretion, establish reasonable transitional arrangements (by reference to information available to it from the CDCA) for determining the quantity of energy attributable to all Suppliers for the purposes of paragraph 3.7.3 in relation to any 12 month period for which information as to the GSP Group Take is not available in respect of each month. in that period.

The charges specified in paragraphs 3.2.1, 3.3.1, 3.4.1, 3.5.1 and 3.6.1

and the figure of £1,275,000 in paragraph 3.7.3

(for the purposes of this paragraph 3.8 in each case described as the "**Base Sum**"), shall be calculated, in respect of each 12 month period beginning on 1st April, from and including 1st April, 2001, in accordance with the following formula:

$$\text{adjusted Base Sum} = \text{Base Sum} \times$$

where RPI_P is the percentage change (whether of a positive or negative value) in the Retail Price Index between that published in, or (as the case may be) the substitute index for, the third month before 1st April, 2000 and that published in, or the substitute index for, the third month before the

anniversary from which the adjusted charges and the adjusted GSP Group liability cap are to take effect.

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The charges specified in this Annex S-1 except paragraph 3.6 shall apply in respect of months commencing on or after the Implementation Date of the Approved Modification pursuant to which this paragraph 3.9.1 was introduced.

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The charges specified in paragraph 3.6 shall apply in respect of months (in respect of which Routine Performance Monitoring Reports are to be delivered and Routine Performance Monitoring Logs updated) commencing on or after the date two months after the Implementation Date of the Approved Modification pursuant to which this paragraph 3.9.2 was introduced.