

<b>Modification Proposal – F76/01</b>	<b>MP No: 132</b> <i>(mandatory by BSCCo)</i>
<b>Title of Modification Proposal</b> <i>(mandatory by originator):</i>	
<b>Redefinition of Credit Cover Requirements to account for Reconciliation Charges</b>	
<b>Submission Date</b> <i>(mandatory by originator):</i> <b>19<sup>th</sup> June 2003</b>	
<b>Description of Proposed Modification</b> <i>(mandatory by originator)</i>	
<p>The rules for the calculation of Minimum Eligible Amount would be amended to take account of the potential charges arising from reconciliation amounts (which would include Trading Disputes and Past Notification Errors).</p>	
<b>Description of Issue or Defect that Modification Proposal Seeks to Address</b> <i>(mandatory by originator)</i>	
<p>The current rules for establishing the Minimum Eligible Amount only look at a 29 day period. The consequence of this is that there is a potential for a Party who voluntarily ceases trading (as opposed to entering an insolvency process) to reduce their Credit Cover to zero prior to the completion of the 14 month reconciliation period and the resolution of Post Final Trading Disputes / Past Notification Errors.</p> <p>The modification aims to ensure that a withdrawing party will pay all his final bills prior to withdrawal from the BSC.</p>	

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<b>Impact on Code</b> <i>(optional by Originator)</i>	
<b>Impact on Core Industry Documents</b> <i>(optional by Originator)</i>	
<b>Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties</b> <i>(optional by originator)</i>	
<b>Impact on other Configurable Items</b> <i>(optional by originator)</i>	

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<p><b>Justification for Proposed Modification with Reference to Applicable BSC Objectives</b> <i>(mandatory by originator)</i></p> <p>Ensuring that all Parties have an obligation to provide Credit Cover for the full range of potential Trading Charges would reduce the potential for those Parties who continue trading to pick up the liabilities of those Parties who have voluntarily ceased trading and hence promote competition in the generation and supply of electricity.</p> <p>The ability to recover outstanding amounts from Credit Cover would be easier than pursuing Parties through legal routes to attempt to recover outstanding amounts which become due once a Party has voluntarily ceased Trading and consequently would improve the administrative efficiency of the Balancing and Settlement arrangements.</p>	
<p><b>Details of Proposer:</b></p> <p><i>Name:</i> Philip Russell</p> <p><i>Organisation:</i> TXU Direct Sales Ltd</p> <p><i>Telephone Number:</i> 07879 803 061</p> <p><i>Email Address:</i> <a href="mailto:phil.russell@bigfoot.com">phil.russell@bigfoot.com</a></p>	
<p><b>Details of Proposer's Representative:</b></p> <p><i>Name:</i> Lisa Waters</p> <p><i>Organisation:</i> Waters Wye Associates</p> <p><i>Telephone Number:</i> 020 7388 7169</p> <p><i>Email address:</i> lisa@waterswye.co.uk</p>	

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<b>Details of Representative's Alternate:</b>	
<i>Name:</i> Philip Russell	
<i>Organisation:</i> TXU Direct Sales Ltd	
<i>Telephone Number:</i> 07879 803 061	
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<b>Attachments: No</b>	