P131 LEGAL TEXT

SECTION W (*version 5, including all Approved Modifications awaiting implementation*)

Amend paragraphs 1.2.5 and 1.2.6 as follows:

1.2.5   No Trading Query may be raised in respect of an affected Settlement Period (by reference to the Settlement Day in which the affected Settlement Period occurred) after the **"Query Deadline"** as defined in paragraph 3.2, and accordingly a Party may not after such deadline refer to arbitration any matter which would constitute a Trading Dispute (except pursuant to paragraph 3.6 where such matter has been raised as a Trading Query before such deadline); and each Party hereby agrees to waive any right, claim or remedy it may have, whatsoever and howsoever arising, in respect of matters which, but for this paragraph 1.2.5, would constitute a Trading Query or Trading Dispute in respect of such affected Settlement Period.

1.2.6   The Query Deadline shall not, in any event, be later than: (a)   subject to paragraphs, (b) and (c), the   day which is 20 months after the Settlement Day in which the affected Settlement   Period occurred;

         (b)   subject to paragraph (c), in the case of a Settlement Day more than 17 months before 4 November 2003, the earlier of the date 3 months after 4 November 2003 and the third anniversary of such Settlement Day; or

         (c)   if later, where the alleged settlement error is an error in a Post-Final Settlement Run or an Extra-Settlement Determination the date 1 month after the date of such Post-Final Settlement Run or Extra-Settlement Determination.

Amend paragraph 1.3.1 as follows:

1.3   Trading Disputes

1.3.1   For the purposes of the Code:

         (a)   a "**Trading Dispute**" is, by reference to an affected Settlement Period, any query, difference or dispute of whatsoever nature and howsoever arising under the Code as to:

                (i)   the existence, nature or effect of errors in:

                       (1)   the data and/or processes used for the purposes of Settlement; or

                       (2)   the application of the rules for Settlement (whether generally or in relation to a particular Party or class of Parties),

                to the extent such errors affect or may affect the allocation and/or determination of Trading Charges or the determination and settlement of amounts payable pursuant to Section N by reference to Trading Charges;

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(ii)   the existence, nature or effect of errors in the data and/or processes used for the purposes of, or in the application (whether generally or in relation to a particular Party or class of Parties) of the rules as to whether and when a Trading Party is in Credit Default under, Section M;

(b)   a "**settlement error**" is such an error as is referred to in paragraph (a)(i) or (ii);

(c)   a "**Trading Query**" is a query as to a matter which, if not resolved in accordance with the query resolution process set out in the relevant BSC Procedure(s) as provided in paragraph 3.2, will be a Trading Dispute.

Insert new paragraph 1.3.5 as follows:

1.3.5   References to an **"affected Settlement Period"** in relation to a Trading Query or Trading Dispute shall mean a Settlement Period in respect of which it is alleged that a settlement error has occurred.

Amend paragraph 1.5.1 and insert new paragraph 1.5.2 as follows:

1.5   Duties of BSCCo

1.5.1   If BSCCo is informed by a BSC Agent pursuant to paragraph 1.4.2 or otherwise becomes aware of any matters which would or might reasonably be expected to give rise to a Trading Dispute, it shall:

(a)   notify each affected Trading Party and the Transmission Company;

(b)   raise a Trading Query in respect thereof in accordance with paragraph 3.2; and

(c)   in the event it is not satisfied as to all (or a particular one) of the matters referred to in paragraph 3.2.6 (a), (b) or (c), escalate the matter to a Trading Dispute in accordance with paragraph 3.3.

> **Deleted:** subject to the outcome of the Trading Query and if it considers it appropriate, raise a Trading Dispute in accordance with paragraph 3.3

1.5.2   For the avoidance of doubt, the requirements of paragraph 1.5.1 shall not apply to BSCCo in relation to an affected Settlement Period:

(a)   where a relevant Trading Query has been raised; or

(b)   after the time limit pursuant to paragraph 3.2.2(a).

Amend paragraph 1.6.1 as follows:

1.6   Duties of Parties

1.6.1   Each Party shall:

(a)   provide, and shall procure that any Party Agent appointed by it shall provide, to BSCCo or the Disputes Secretary, in accordance with the relevant BSC

Procedure(s), such data, reports and other information as may reasonably be required:

(i)   by BSCCo, to enable it to assess any Trading Query referred to it; or

> **Deleted:** a BSC Agent

(ii)   by the Trading Disputes Committee, for the purposes of fulfilling its functions set out in this Section W; and

(b)   otherwise co-operate (and shall procure that its Party Agents co-operate) with BSCCo, the Disputes Secretary, the Disputes Trading Committee and relevant BSC Agent with a view to the resolution of any Trading Query or Trading Dispute as quickly, efficiently and accurately as reasonably possible.

Amend paragraph 2.10.1 as follows:

2.10   Postponing meetings and deferring decisions

2.10.1   The TDC Chairman may postpone a meeting of the Trading Disputes Committee and/or defer a decision on any Trading Dispute except in the following cases:

(a)   the circumstances giving rise to the Dispute are likely to recur until a decision is reached by the Trading Disputes Committee; and/or

> **Deleted:** (a)   the materiality of the Dispute to be deferred, or (as the case may be) of all of te Disputes to be considered at such meeting, is likely to exceed the threshold amount(s) specified in the relevant BSC Procedure(s); ¶

(b)   the next Reconciliation Settlement Run in respect of an affected Settlement Day is the Final Reconciliation Settlement Run.

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Amend paragraph 3.1.1 as follows:

3.   THE TRADING DISPUTES PROCESS

3.1   Introduction

3.1.1   For the purposes of this Section W:

(a)   in relation to a Trading Query or Trading Dispute:

(i)   references to the relevant BSC Procedure(s) are to BSCP 11;

> **Deleted:** the BSC Procedure(s) which apply to such Trading Query or Trading Dispute

(ii)   references to the next Settlement Run are (unless the context otherwise requires) to the Initial Settlement Run or next following Timetabled Reconciliation Settlement Run (as the case may be) scheduled to take place after resolution of the Trading Query or Trading Dispute in respect of the Settlement Day(s) to which such Query or Dispute relates;

(b)   references to Settlement Runs shall be taken to include Volume Allocation Runs;

(c)   references to the materiality of a Trading Dispute shall be determined in accordance with the relevant BSC Procedure(s);

(d)   references to "**affected**" Parties in relation to a Trading Query or Trading Dispute are to such Party or Parties as the Trading Disputes Committee (or before the Committee has considered the matter, BSCCo or the Disputes

Secretary) considers from time to time to be particularly affected by the Query or Dispute;

> (e)   references to "Trading Query" and "Trading Dispute" shall be taken to relate to the same matter unless the context otherwise requires;

> (f)   references to an "SVA Half Hourly Query" shall mean a Trading Query raised in respect of those matters which have been taken into account for the purposes of Settlement in respect of those SVA Metering Systems which are associated with Measurement Classes C and D;

> (g)   references to an "SVA Non Half Hourly Query" shall mean a Trading Query raised in respect of those matters which have been taken into account for the purposes of Settlement in respect of those SVA Metering Systems which are associated with Measurement Classes A, B and E.

Insert new paragraphs 3.1.3 and 3.1.4 as follows:

3.1.3   The Trading Disputes Committee (and the Panel where applicable) shall not consider and determine matters relating to a Trading Dispute pursuant to paragraphs 3.4 and 3.5 unless the relevant Party has given valid notice in respect of the relevant Trading Query in accordance with paragraph 3.2.1.

3.1.4   For the avoidance of doubt, subject to paragraph 3.2, a Trading Query or Trading Dispute may (where applicable) specify more than one affected Settlement Period and relate to more than one Settlement Day.

Amend paragraph 3.2.1 as follows:

3.2   **Raising a Trading Query**

3.2.1   A Party may raise a Trading Query in respect of an affected Settlement Period (by reference to the Settlement Day in which the affected Settlement Period occurred) if it has given notice, in accordance with the provisions of BSCP 11, to the Disputes Secretary within the Query Deadline.

Delete paragraph 3.2.2 and insert new paragraph 3.2.2 as follows:

3.2.2   Subject to paragraph 1.2.6, the Query Deadline in relation to a Trading Query is:

> (a)   subject to paragraphs (b) and (c), the 20th Business Day following the day on which the Initial Settlement Run or Timetabled Reconciliation Settlement Run (as the case may be) in which the relevant settlement error first occurred, was carried out; or

> (b)   where the Trading Query is:

>> (i)   an SVA Non Half Hourly Query;

>> (ii)   a Trading Query concerning data relating to profile coefficient; or

>> (iii)   a Trading Query relating to Market Domain data,

the applicable deadline specified in BSCP 11 in relation to Trading Queries of such kind; or

(c) where the Trading Query is an SVA Half Hourly Query it is the applicable deadline specified in BSCP 11 in relation to Trading Queries of such kind or, if later, the 20th Business Day following the day on which the Timetabled Reconciliation Settlement Run in which the relevant settlement error first occurred was carried out.

Insert new paragraph 3.2.3 as follows:

3.2.3 If, in relation to a particular Trading Query, the Trading Disputes Committee (in its sole discretion) determines that there are exceptional circumstances as a result of which the requirement pursuant to paragraph 1.2.5 to raise the Trading Query by the Query Deadline should not apply, it may waive such requirement provided that such requirement may not be waived so as to allow a Trading Query to be raised after the relevant date in paragraph 1.2.6.

Delete paragraph 3.2.4 and re-number paragraph 3.2.2 as follows:

3.2.4 Each Trading Query shall be treated in accordance with the relevant BSC Procedure(s).

Insert new paragraph 3.2.5 as follows: 3.2.5 A Party who has raised a Trading Query shall complete and comply with the process for query resolution in accordance with BSCP 11.

Re-number paragraph 3.2.3 and amend as follows:

3.2.6 Following the treatment of the Trading Query, BSCCo may instruct the relevant BSC Agent to adjust settlement in the next Settlement Run (if any) where it is satisfied that :

(a) all affected Settlement Periods claimed have been raised within the applicable Query Deadline;

(b) a settlement error exists; and (c) the materiality of the Trading Query is not less than the amount specified in BSCP 11.

Insert new paragraph 3.2.7 as follows:

3.2.7 In advance of any instruction pursuant to paragraph 3.2.6 BSCCo shall, in accordance with BSCP 11:

(a) report its findings pursuant to paragraph 3.2.6(a) to the Trading Disputes Committee at its next meeting and in the event that the Trading Disputes Committee notifies BSCCo (with reasons) that it disagrees with such findings, it shall not issue such instruction; and

(b) subject to paragraph (a) it shall notify each affected Party of such adjustment to settlement.

Delete paragraph 3.3.1 and insert new paragraph as follows:

3.3   Raising a Dispute

3.3.1   A Party shall be deemed to have raised a Trading Dispute in circumstances where, in accordance with BSCP 11:   (a) following completion of the query resolution process relating to the relevant Trading Query, the relevant Party is notified by BSCCo that it is not satisfied as to all (or a particular one) of the matters referred to in paragraph 3.2.6(a), (b) or (c) and the relevant Party has failed to notify its irrevocable acceptance of BSCCo's findings within the applicable time limit; or   (b)   the Trading Disputes Committee notifies BSCCo that it disagrees with   BSCCo's findings in accordance with paragraph 3.2.7(a); or

(c)   BSCCo has escalated the relevant Trading Query to a Trading Dispute in accordance with paragraph 1.5.1(c).

Amend paragraph 3.3.3 as follows:

3.3.3   Where a Party is deemed to have raised a Trading Dispute under paragraph 3.3.1, the Disputes Secretary shall:

(a)   send a copy of a notice to each affected Party and each relevant BSC Agent;

(b)   subject to and in accordance with the relevant BSC Procedure(s):

    (i)   take steps to obtain information and representations and any necessary clarifications from affected Parties, and to obtain the assistance of and any necessary information from each relevant BSC Agent, in relation to the Trading Dispute (to the extent not obtained in relation to the prior Trading Query);

(ii)   collate all relevant information, documentation and reports in respect of the Trading Dispute; and   (iii)   subject to paragraph 3.4.6, include the Trading Dispute on the agenda for the next meeting (or next practicable meeting, allowing for completion of the matters in paragraphs (i) and (ii)) of the Trading Disputes Committee.

Insert new paragraph 3.3.4

3.3.4   For the avoidance of doubt, the relevant Party shall, until and unless it provides the requisite notice in accordance with paragraph 3.3.1(a), be deemed to have raised a Trading Dispute.

Amend paragraph 3.4.3 as follows:

3.4.3   Having considered all relevant material available to them and any representations made (and evidence submitted) in accordance with this Section W or where relevant the provisions of BSCP 11, the Trading Disputes Committee shall make a determination in respect of the Trading Dispute of whether the relevant Trading Query was raised within the Query Deadline or, if applicable, it should exercise its discretion under paragraph 3.2.3.

Comment:

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Insert new paragraphs 3.4.4, 3.4.5 and 3.4.6 as follows:

3.4.4   Subject to paragraphs 3.4.5, the determination shall also include:

(a)   whether there was a settlement error;

(b)   if so, what changes in data, processes or the application of rules (as referred to in paragraph 1.3.1(a)) are appropriate to correct the settlement error, and (to the extent to which the Trading Disputes Committee can determine such matters) the materiality of the error.

3.4.5   Subject to paragraphs 3.5.1 and 3.5.5, in circumstances where the Trading Disputes Committee determines that the Trading Query has not been validly raised pursuant to paragraph 3.4.3:

(a)   it shall not consider the matters in paragraphs 3.4.4 (a) and (b); and

(b)   such decision shall be deemed to be a determination for the purposes of paragraph 3.4.7.

3.4.6   A notification by the Trading Disputes Committee pursuant to paragraph 3.2.7(a) shall be deemed to be a determination for the purposes of paragraphs 3.4.3 and 3.4.7

Re-number paragraphs 3.4.4 and amend as follows:

3.4.7   The Disputes Secretary shall, promptly following the making of a determination in respect of a Trading Dispute (or the relevant Trading Query) in accordance with paragraphs 3.2.7(a), 3.4.3, 3.4.4, or following notification pursuant to paragraph 3.5.5 notify each Party; each relevant BSC Agent and the BSC Auditor of the determination made (and the reasons given by the Trading Disputes Committee), or where the Trading Disputes Committee failed to reach a majority decision in relation to the Trading Dispute, of that fact.

Re-number paragraph 3.4.5 and amend as follows:

3.4.8   Subject to paragraph 3.4.9, any decision of the Trading Disputes Committee pursuant to paragraph 3.2.7(a), 3.4.3 or 3.4.4 shall be final and binding on all Parties, and each Party shall comply with such decision, until and unless such decision is referred under paragraph 3.5 or 3.6.

Insert new paragraph 3.4.9 as follows:

3.4.9   The provisions of paragraph 3.6 shall not apply to a decision of the Trading Disputes Committee (or the Panel if applicable) pursuant to paragraph 3.2.3.

Amend paragraphs 3.5.1, 3.5.2 and 3.5.3 as follows:

3.5   References to the Panel

3.5.1   Subject to paragraphs 3.5.2, 3.5.3, and 3.5.5 where; (a)   a Party disagrees with the determination of the Trading Disputes Committee:

(i)   pursuant to paragraphs 3.2.7(a) or 3.4.3 or

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(ii)   if appropriate, pursuant to paragraph 3.4.4.

(b)   the Trading Disputes Committee has sought but failed to reach a majority decision in respect of a Trading Dispute

the Party or (as the case may be) the Trading Disputes Committee may (and in a case where the TDC Terms of Reference so require, the Trading Disputes Committee shall) refer the matter to the Panel for determination.

3.5.2   A reference by a Party to the Panel under paragraph 3.5.1 shall be made no later than 30 days after the notification given by the Disputes Secretary under paragraph 3.4.7, failing which:

(a)   the decision of the Trading Disputes Committee shall remain final and binding on all Parties, or

(b)   where the Trading Disputes Committee failed to reach a decision, no further step or action may be taken by any Party in relation to the Trading Dispute.

3.5.3   In a case within paragraph 3.5.1(a)(ii) or (b):

(a)   the Trading Disputes Committee, with the approval of all affected Parties,

(b)   the Panel (of its own initiative or on the application of any Party)

may decide that the matter shall not be referred to the Panel, in which case the Disputes Secretary or Panel Secretary (as the case may be) shall notify such decision to each Party; each relevant BSC Agent and the BSC Auditor, and paragraph 3.6.1 shall apply.

Insert new paragraph 3.55 as follows:

3.5.5   In circumstances where a Party has referred a determination of the Trading Disputes Committee pursuant to paragraph 3.5.1(a)(i) and the Panel determines that the Trading Query was raised within the Query Deadline or, where applicable, the Panel exercises its discretion in respect of the matters referred to in paragraph 3.2.3 the Panel Secretary shall notify the Panel's decision to the Disputes Secretary and remit the matter to the Trading Disputes Committee, in accordance with the provisions of BSCP 11, for a determination under paragraph 3.4.4.

Amend paragraphs 3.6.1 and 3.6.2 as follows:

3.6   Arbitration

3.6.1   Subject to paragraph 3.6.2, a Party may refer a matter the subject of a Trading Dispute to arbitration in accordance with the provisions of Section H7:

(a)   where it disagrees with a decision of the Panel made under paragraph 3.5 (with the exception of paragraph 3.5.5);

(b)   after a decision has been made under paragraph 3.5.3 that the Trading Dispute should not be referred to the Panel.

3.6.2   The reference of any matter to arbitration pursuant to this paragraph 3.6 shall be made no later than 30 days after the relevant decision referred to in paragraph 3.6.1(a) or (b) was

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notified to Parties, failing which the decision of the Trading Disputes Committee or the Panel (as the case may be) shall be final and binding on all Parties.

Insert new paragraph 3.6.3 as follows:

3.6.3   Subject to paragraph 3.4.9, in circumstances where, following a Party's referral under paragraph 3.6.1(a) in respect of a decision of the Panel under paragraph 3.5.1 (a)(i), the arbitrator determines that the particular Trading Query was raised within the Query Deadline, the Disputes Secretary shall following notification of such determination remit the matter back to the Trading Disputes Committee, in accordance with BSCP 11, for a determination under paragraph 3.4.4.

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Insert new paragraph 4.1.1A as follows Amend paragraph 4.1.1as follows.

4. ADJUSTMENTS FOLLOWING RESOLUTION OF A TRADING DISPUTE

4.1 General

4.1.1   Subject to paragraph 4.1.1A following a decision of the Trading Disputes Committee, or (pursuant to a reference under paragraph 3.5) the Panel, in respect of a Trading Dispute that there was a settlement error, the Trading Disputes Committee may determine:

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(a)   that the error should be corrected in the next Settlement Run relating to the relevant Settlement Day; or

> **Deleted:** (a) on the grounds that the materiality of the Trading Dispute does not justify the cost necessary to correct the error and settle the consequences of such correction, that no further action should be taken in relation to such error; or¶

(b)   that a recommendation should be made to the Panel that an Extra-Settlement Determination should be carried out in accordance with the provisions of paragraph 4.2; or

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(c)   where a Trading Dispute is not resolved until after the relevant Final Reconciliation Settlement Run, that a recommendation should be made to the Panel that one of the following steps should be taken:

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(i)   that the error should not be corrected, having regard to all the circumstances (including the length of time which has elapsed since the occurrence of the event giving rise to the Trading Dispute);

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(ii)   that an Extra-Settlement Determination and/or Post-Final Settlement Run should be undertaken

4.1.1A   Following a decision of the Trading Disputes Committee, or (pursuant to a reference under paragraph 3.5) the Panel, in respect of a Trading Dispute that there was a settlement error, the Trading Disputes Committee shall determine the materiality of the Trading Dispute and in cases where it is less than the materiality threshold specified in BSCP 11 they shall not correct the error.

Amend paragraph 4.2.1as follows:

4.2 Post-Final Settlement Runs and Extra-Settlement Determinations following a Trading Dispute

4.2.1   Where the materiality of the Trading Dispute is not less than the materiality threshold specified in BSCP 11 the Trading Disputes Committee shall recommend to the Panel:

   (a)   where the Final Reconciliation Settlement Run has taken place, that a Post-Final Settlement Run and/or Extra-Settlement Determination should be performed; or

   (b)   where the period to the next Timetabled Reconciliation Settlement Run (considered together with the materiality of the Dispute) is such that the Trading Disputes Committee believes that an Extra-Settlement Determination is justified, that an Extra-Settlement Determination should be performed.

SECTION X: ANNEX X-2 *(version 14, including all Approved Modifications awaiting implementation)*

Amend Table X-6 as follows:

Definitions Applying To Section S

Unless otherwise expressly stated the expressions below bear the following meanings in Section S.

The definition of Corrected Correctable Supplier Deemed Take ($CCSDT_{HZj}$) also applies to Annex D-1. The definition of Measurement Class also applies to Section W.

Measurement Class		A classification of Metering Systems which indicates how Consumption is measured i.e Non Half Hourly Metering Equipment (equivalent to Measurement Class "A") Non Half Hourly Unmetered Supplies (equivalent to Measurement Class "B") Half Hourly Metering Equipment at above 100kW Premises (equivalent to Measurement Class "C") Half Hourly Unmetered Supplies (equivalent to Measurement Class "D") Half Hourly Metering Equipment at below 100kW Premises (equivalent to Measurement Class "E").

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