

Modification Proposal

MP No: 117
(mandatory by BSCCo)

Title of Modification Proposal (mandatory by proposer):

Rectification of Past Notification Errors (PNEs)

Submission Date (mandatory by proposer): 29 January 2003

Description of Proposed Modification (mandatory by proposer):

Modification Proposal P37 was raised in September 2001. The basic thrust of P37 was that, on a one off basis, past Energy Contract Volume Notifications (ECVNs) or Metered Volume Reallocation Notifications (MVRNs) should be amenable to amendment on the basis of a successful claim that such Volume Notifications were erroneous. The Authority directed that the Balancing and Settlement Code (the Code) should be amended to give effect to P37 and the arrangements are now enshrined in the Code, largely in clause 6, section P.

Section P6 of the Code allowed Parties to submit PNE claims for any Volume Notification which occurred between Go-Live and the date that P37 was implemented (20 May 2002). These claims had to be made within a 10 day window, from D+5 to D+15 from the day of the Authority's decision.

Section P6.5.1 of the Code states that where the Panel determines that a PNE occurred and should be rectified, adjustments shall be taken into account in the next Settlement Run or if the Final Reconciliation Settlement Run has already taken place such adjustments shall be taken into account in Dispute Final (DF) Run.

This new Modification proposes to allow any required adjustments to Settlements to be processed outside the defined Settlement Runs if necessary. This will create the flexibility for PNEs to be rectified in the most efficient manner.

Description of Issue or Defect that Modification Proposal Seeks to Address (mandatory by proposer):

Modification P61 aimed to remove Ad Hoc Settlement Runs as the means to effect agreed adjustments to settlement data. The Modification Report for P61 proposed that Trading Disputes be settled by:

- a) Applying the correction at the next convenient Timetabled Reconciliation Run; or
- b) Using a single DF Run post the Timetabled Final Reconciliation Run; or
- c) Using an Extra Settlement Determination.

Modification P61 was approved on 28 August 2002 with an implementation date of 10 December 2002. The legal text included a number of changes where the term 'Ad Hoc Settlement Run' was replaced with 'Dispute Final Run or Extra Settlement Determination'. However this change was not applied in full to Section P6.5.1(c).

The outcome of P61 is that Section P6.5.1 (c) of the Code still mandates the use of DF Runs, without the option to use an Extra Settlement Determination, for the correction of PNEs.

This is the only remaining reference in the Code to DF Runs without the option to use an Extra Settlement Determination. It is believed that this outcome of P61 was not intended.

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Impact on Code (optional by proposer):

Section P6.5.1(c) to be amended to allow the adjustment to be carried out using an Extra Settlement Determination as shown in the draft legal text below:

Section P (Version 7.0)

Paragraph 6.5.1 of Section P shall be amended as follows:

6.5.1 Where the Panel determines that a Past Notification Error occurred and should be rectified:

- (a) the Panel shall determine what adjustments are required to the relevant Account Bilateral Contract Volumes, Metered Volume Fixed Reallocations and/or Metered Volume Percentage Reallocations (as the case may be) in order to rectify the Past Notification Error as determined by the Panel;
- (b) such adjustments shall be made as soon as is practicable, and shall be taken into account in the next Settlement Run for the relevant Settlement Period after such adjustments have been made.
- (c) if the Final Reconciliation Settlement Run for the relevant Settlement Period has already taken place before the Panel has made its determination under 6.5.1, such adjustments shall be made as soon as is practicable, and shall be taken into account in a Post-Final Settlement Run **or Extra-Settlement Determination** for the relevant Settlement Period after such adjustments have been made.

Impact on Core Industry Documents (optional by proposer):

None identified

Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties (optional by proposer):

None identified

Impact on other Configurable Items (optional by proposer):

None identified

Justification for Proposed Modification with Reference to Applicable BSC Objectives (mandatory by proposer):

The Modification Proposal has been raised by the BSC Panel on the recommendation by BSCCo, in accordance with section F2.1.1 (d) (v) and (i). This proposal will rectify a minor inconsistency in the Code and would also better facilitate the objective in Condition 7A (3) (d) of the Transmission Licence, promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

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Details of Proposer:

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Organisation:

Telephone Number:

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Attachments: NO

If Yes, Title and No. of Pages of Each Attachment: