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ANNEX 1 LEGAL DRAFTING

The redlined version of the legal text is attached as a separate document (P110 Legal Text V3.doc).

ANNEX 2 BSC AGENT IMPACT ASSESSMENTS

A2.1 High Level Impact Assessment

A high level impact assessment was issued with the P110 Requirements Specification (Reference 3, version 1.0) to the BSC Agents on 9 December 2002 with a response due by 18 December 2002.

NETA Change Form		ELEXON Reference
		P110
Title		Version No.
Nullification Of Volume Notifications Where No Notification Authorisations Are In Place		0.1
		Logica Reference
		ICR459
Type of Assessment	Date CP Received	Date IA Issued
HLIA	9/12/02	18/12/02
Brief Summary of Change		
<p>This change is to allow a Party to request nullification of any volume notifications with another specified Party, for those settlement periods that have not yet passed gate closure. The following conditions must also be met:</p> <ul style="list-style-type: none"> All notification authorisations between the two Parties have been terminated. The two Parties cannot agree to establish a new authorisation. <p>The change is in two parts:</p> <ol style="list-style-type: none"> The process of requesting ECVAAs to nullify volume notifications. The process of ECVAAs nullifying the volume notifications. <p>The following options have been requested to be assessed:</p> <p>Option 1 – automated part 1 and automated part 2 Option 2 – automated part 1 and manual part 2 Option 3 – manual part 1 and manual part 2 Option 4 – manual part 1 and automated part 2 Option 5 – manual part 1 and semi-automated part 2</p>		
Logica's Proposed Solution		
<p>The solution is in accordance with P110 Requirements Specification (P110AS) unless otherwise stated.</p> <p><i>Manual Nullification Request Process</i></p> <ol style="list-style-type: none"> 3.2.1.1 Note that 1 hour is the timescale to validate and respond to the request and not to take all the resulting actions to actually nullify. Manual processes will be implemented to perform the validation specified in 3.2.1.2 and 3.2.1.3 and generate the request feedback specified in 3.2.1.4. A script will be developed to assist this process, which will establish the validity of the request and report any authorisations that are still in place. <p><i>Automatic Nullification Request Process</i></p> <ol style="list-style-type: none"> New business loader will be created to process the new electronic flow. <p>This functionality will perform the validation specified in 3.2.1.2 and 3.2.1.3 and generate the request feedback specified in 3.2.1.4. For Option 1 the functionality will then automatically start the Automatic</p>		
Final		© ELEXON Limited 2003

Notification Nullification Process described below. For Option 2 the functionality will end at this point. As Authorisation Termination Requests and Authorisation Requests are manual flows, interactions between automatic nullification request and manual termination/authorisation requests is unrealistic. The automatic flow will be processed on receipt based on the authorisations in place at that time. If CP888 (automatic termination option) is implemented then we will ensure that all electronic flows (i.e. terminations and nullification requests) from any one party are processed in sequence number order. The cost and timescale of request validation are not affected by which of the 3 rules in 3.2.1.3 are adopted.

Manual Notification Nullification Process

1. New script will be developed to identify the notifications that need to be nullified. It will order the results such that notifications effective today are listed first, then those effective tomorrow etc - this allows scheduling of the manual deletions in order of urgency. This script would be run manually and the notifications identified would then be manually nullified individually. This is a difficult process that would require 2 people to perform to provide the level of error-checking required when altering the live database. As there would be an unknown number of notifications to be nullified, this task would be charged T&M on a per nullification basis. There are three categories of notification to be amended. (For nullification effective from period P on day D)

- a. Notification starting after D : delete
- b. Notification starting on D : amend end date to D and delete period volumes for periods $\geq P$
- c. Notification starting before D and ending on or after D : amend end date to D-1, copy to create single day notification including data for periods 1 to P-1.

Where amendments are made after data has been validated by credit checking (at 3 periods before gate closure for the period), a further deletion from the "performed" table is also required. (care is required to only delete data for day D for periods from P onwards).

Note that if the rules require the effective Settlement Period to always be 1 then the processing is simpler and there are only two categories:

- a. Notification starting on or after D : delete
- b. Notification starting before D-1 and ending on or after D : amend end date to D-1.

Where amendments are made after data has been validated by credit checking (at 3 periods before gate closure for the period), a further deletion from the "performed" table is also required. (in this case, all "performed" data for the day in question will be deleted)

2. Once all of the notifications had been nullified new Notification Reports and Forward Contract Reports would be issued manually as specified in 3.2.2.2. Note it may be necessary to issue multiple forward contract reports rather than a single report covering the 3 year range.

Automatic Notification Nullification Process

2. New module will be developed which will identify and nullify the notifications as specified in 3.2.2.1. There can be no commitment to complete this task within 1 hour as there would be an unknown number of notifications to be nullified and performance would be dependent on the level of normal ECVA notification processing. It is proposed that the nullification process would be prioritised such that the earliest notifications were nullified first as they would be the most urgent followed by those notifications for future dates (Where multiple nullification requests are being processed, it is anticipated that all nullifications for today would be carried out first). Further, any notification processing will have priority over nullification processing. The volume of work required to process each nullification request, coupled with the need to apply prioritisation means that it is impossible to commit to any specific service levels. It is expected that all nullifications for the current day would be applied within 2 hours of receipt.
3. Once the nullification process had run to completion new Notification Reports and Forward Contract Reports would be automatically issued as specified in 3.2.2.2. Note it may be necessary to issue multiple forward contract reports rather than a single report covering the 3 year range.

For Option 1 this functionality will be automatically started by the Automatic Nullification Request Process as described above. For Option 4 and 5 this functionality will be started manually and therefore Option 4 and 5 are in fact the same solution.

Feedback new notified position

3.2.2.1 Where multiple nullification requests are applied for a single participant, a separate set of reports will not necessarily be generated for each request. This is to avoid confusion where a report generated at the

completion of processing of one request includes some of the effect of another request that has not yet completed.

Deviation from ELEXON’s Solution / Requirements

As noted in the proposed solution

Operational Solution and Impact

Manual Nullification Request Process – manual processes will be charged T&M and would be expected to take approximately 1 hour per request.
 Automatic Nullification Request Process – None.
 Manual Notification Nullification Process – manual processes will be charged T&M. The nullification of each notification would be expected to take an average of 1 hour each.
 Automatic Notification Nullification Process – None.

Testing Strategy

Unit	✓	Change Specific	✓	End to End	
Module	✓	Operational Acceptance		Participant Testing	✓
System	✓	Performance		Parallel Running	
Regression		Volume		Deployment/ Backout	

Other:

Further analysis of testing will be performed as part of the Detailed Level Impact Assessment (DLIA) process.

Validated Assumptions

None.

Outstanding Issues

None

Changes to Service							
Services Impacted <i>[Tick boxes to show impacted systems and associated documentation]</i>							
	BMRA	CDCA	CRA	ECVAA	SAA	TAA	Other
Software				✓			
IDD Part 1 (Docs)				✓			
IDD Part 1 (S'Sheet)				✓			
IDD Part 2 (Docs)							
IDD Part 2 (S'Sheet)							
URS				✓			
SS				✓			
DS				✓			
MSS				✓			
OSM				✓			
LWIs				✓			
RTP	(Will be investigated in detail in the DLIA.)						
Comms	None						
Other	None						
Nature of Documentation Changes							
No OSM or LWI changes are required for Automatic Nullification Request Process and Automatic Notification Nullification Process.							
Nature / Size of System Changes							
Medium							
Type of Release Costed:				Standalone patch			
Deployment Issues, eg Outage Requirements:				None			
Impact on Service Levels:				None			
Impact on System Performance:				None			

Responsibilities of ELEXON		
<ul style="list-style-type: none"> For all DCRs which are subject to review, Logica shall provide one draft issue and a maximum of 5 working days has been allowed for ELEXON to review and comment on the updates. Comments will be addressed and the final issue will be provided. A maximum of 2 working days has been allowed for review confirmation and signoff by ELEXON. Within reasonable levels, ELEXON will make available appropriate staff to assist Logica during the development of this change. 		
Acceptance Criteria		
N/A to HLIA		
Any Other Information		
Note: the solution to CP725 being developed for the Jun03 Release has been designed in anticipation of the Automatic Notification Nullification Process.		
Attachments		
P110 Price Presentation Option 1 Price Presentation Option 2 Price Presentation Option 3 Price Presentation Option 4 or 5		
PRICING		
Price Breakdown		
Item description	Remarks	Price (ex VAT)
Change Specific Cost	Option 1	£115,226
	Option 2	£52,321
	Option 3	£37,526
	Option 4 or 5	£94,119
Project Overhead	Option 1	£281,501
	Option 2	£198,173
	Option 3	£184,481
	Option 4 or 5	£271,247
Total Price (+/-50% in accordance with HLIA criteria)		Option 1 - £396,726 Option 2 - £250,494 Option 3 - £222,006 Option 4 or 5 - £365,366
Project Duration		Option 1 – 15 weeks Option 2 – 10 weeks Option 3 – 9 weeks Option 4 or 5 – 14 weeks

Operational Price (per event)	Option 1 - £0 Option 2 – T&M (estimated £60,000 per event) Option 3 – T&M (estimated £62,000 per event) Option 4 or 5 – T&M (estimated £2000 per event)
Rationale	
For the options that incorporate manual processing the following parameters have been used for the purposes of estimating costs for a single event: <ul style="list-style-type: none"> • A Party in difficulty will have 20 counterparties which will request to nullify their contracts with that Party. • Each counterparty will have 30 notifications that require nullification. Using this methodology: Option 2 – estimated £100 per notification nullification for 600 nullifications. Option 3 – estimated £100 per nullification request for 20 requests plus £100 per notification nullification for 600 nullifications Option 4 or 5 – estimated £100 per nullification request for 20 requests	
Annual Maintenance Price	Option 1 - £55,542 Option 2 - £35,069 Option 3 - £31,081 Option 4 or 5 - £51,151
Rationale	
The Annual Maintenance Price is derived as 14% of the Total Price.	
Validity Constraints	
<ul style="list-style-type: none"> • Price excludes provision for indexation of daily rates from 1st April 2003. • Price and duration assume that this change is developed in isolation and the effects of other changes are excluded. • No allowance is included in the price for Service Descriptions being different from the CP. • Price is for creating DCRs, not a formal documentation issue. • No allowance has been included for supporting PwC activities. The validity period for this quote is 30 days and the offer is based on the following payment schedule: <ul style="list-style-type: none"> • Logica will invoice 30% on receipt of Purchase Order or authorised start of work, 50% on completion of acceptance tests, 20% on deployment or one month after completion of acceptance tests, whichever is sooner. • Operate and maintain charges will be invoiced monthly in arrears. 	
Authorised Signature	Date Signed

A2.2 Detailed Level Impact Assessment

A detailed level impact assessment was issued with the P110 Requirements Specification (Reference 3) to the BSC Agents on 16 January 2003 with a response due by 24 January 2003.

NETA Change Form		ELEXON Reference
		P110
Title		Version No.
<i>Nullification Of Volume Notifications Where No Notification Authorisations Are In Place</i>		0.1
		Logica Reference
		ICR459
Type of Assessment	Date CP Received	Date IA Issued
DLIA	16/1/03	24/1/03
Brief Summary of Change		
<p>This change is to allow a Party to request nullification of any volume notifications with another specified Party, for those settlement periods that have not yet passed gate closure. The following condition must also be met:</p> <ul style="list-style-type: none"> All notification authorisations between the two Parties have been terminated. <p>The change is in two parts:</p> <ol style="list-style-type: none"> The process of requesting ECVAA to nullify volume notifications. The process of ECVAA nullifying the volume notifications. <p>The following options have been requested to be assessed:</p> <p>Option 1 – automated part 1 and automated part 2 Option 2 – automated part 1 and manual part 2 Option 3 – manual part 1 and manual part 2 Option 4 – manual part 1 and automated part 2 Option 5 – manual part 1 and semi-automated part 2</p>		
Logica's Proposed Solution		
<p>The solution is in accordance with P110 Requirements Specification version 2.0 (P110AS) unless otherwise stated. All the processes described apply equally to ECVNs and MVRNs.</p> <p><i>Manual Nullification Request Process</i></p> <ol style="list-style-type: none"> Manual processes will be implemented to perform the validation specified in 3.2.1.2 and 3.2.1.3 and generate the request feedback specified in 3.2.1.4 within 1 hour of receipt. The date and Settlement Period from which the nullification will begin, will be either that specified in the request or it will be the Settlement Period in a configurable (expected to be 3)¹ Settlement Periods time after the receipt of the request. A script will be developed to assist this process, which will establish the validity of the request and report any authorisations that are still in place. <p><i>Automatic Nullification Request Process</i></p> <ol style="list-style-type: none"> New business loader will be created to process the new electronic flow. This functionality will perform the validation specified in 3.2.1.2 and 3.2.1.3 and generate the request feedback specified in 3.2.1.4 within 1 hour of receipt. The date and Settlement Period from which the nullification will begin, will be either that specified in the request or it will be the Settlement Period in 3 Settlement Periods time after the receipt of the request. For Option 1 the functionality will then automatically start the Automatic Notification Nullification Process described below. For Option 2 the functionality will end at this point. <p>As Authorisation Termination Requests and Authorisation Requests are manual flows, interactions between automatic nullification request and manual termination/authorisation requests is unrealistic. The automatic flow will be processed on receipt based on the authorisations in place at that time. If CP888 (automatic termination option) is implemented then we will ensure that all electronic flows (i.e. terminations and</p>		

¹ Gate Closure must not have passed for the first period to be nullified at the time of receipt by the ECVAA of the nullification request

nullification requests) from any one party are processed in sequence number order.

The cost and timescale of request validation are not affected by which of the 3 rules in 3.2.1.3 are adopted.

Manual Notification Nullification Process

3. New script will be developed to identify the notifications that need to be nullified. It will order the results such that notifications effective today are listed first, then those effective tomorrow etc. (and within a day, MVRNs ahead of ECVNs) - this allows scheduling of the manual deletions in order of urgency. This script would be run manually and the notifications identified would then be manually nullified individually. This is a difficult process that would require 2 people to perform to provide the level of error-checking required when altering the live database. As there would be an unknown number of notifications to be nullified, this task would be charged T&M on a per nullification basis. There are three categories of notification to be amended. (For nullification effective from period P on day D)

a. Notification starting after D : delete

b. Notification starting on D : amend end date to D and delete period volumes for periods \geq P

c. Notification starting before D and ending on or after D : amend end date to D-1, copy to create single day notification including data for periods 1 to P-1.

Where amendments are made after data has been validated by credit checking (at 3 periods before gate closure for the period), a further deletion from the "performed" table is also required. (care is required to only delete data for day D for periods from P onwards).

Note that if the rules require the effective Settlement Period to always be 1 then the processing is simpler and there are only two categories:

c. Notification starting on or after D : delete

d. Notification starting before D-1 and ending on or after D : amend end date to D-1.

Where amendments are made after data has been validated by credit checking (at 3 periods before gate closure for the period), a further deletion from the "performed" table is also required. (in this case, all "performed" data for the day in question will be deleted)

4. Once all of the notifications had been nullified new Notification Reports and Forward Contract Reports would be issued manually as specified in 3.2.2.2. Note it may be necessary to issue multiple forward contract reports rather than a single report covering the 3 year range.

5. Parties will then be informed via a manual form of the completion of the nullification process as specified in 3.2.2.3.

Automatic Notification Nullification Process

3. New module will be developed which will identify and nullify the notifications as specified in 3.2.2.1. There can be no commitment to complete this task within 1 hour as there would be an unknown number of notifications to be nullified and performance would be dependent on the level of normal ECVA notification processing. It is proposed that the nullification process would be prioritised such that the earliest notifications were nullified first as they would be the most urgent followed by those notifications for future dates (Where multiple nullification requests are being processed, it is anticipated that all nullifications for today would be carried out first and on a given day, MVRNs would be processed ahead of ECVNs). Further, any notification processing will have priority over nullification processing. The volume of work required to process each nullification request, coupled with the need to apply prioritisation means that it is impossible to commit to any specific service levels. It is expected that all nullifications for the current day would be applied within 2 hours of receipt.

4. Once the nullification process had run to completion new Notification Reports and Forward Contract Reports would be automatically issued as specified in 3.2.2.2. Note it may be necessary to issue multiple forward contract reports rather than a single report covering the 3 year range.

5. Parties will then be informed via a manual form of the completion of the nullification process as specified in 3.2.2.3.

For Option 1 this functionality will be automatically started by the Automatic Nullification Request Process as described above. For Option 4 and 5 this functionality will be started manually and therefore Option 4 and 5 are in fact the same solution.

Feedback new notified position

3.2.2.1 Where multiple nullification requests are applied for a single participant, a separate set of reports will not necessarily be generated for each request. This is to avoid confusion where a report generated at the completion of processing of one request includes some of the effect of another request that has not yet

completed.					
Deviation from ELEXON's Solution / Requirements					
As noted in the proposed solution.					
Operational Solution and Impact					
Manual Nullification Request Process – manual processes will be charged T&M and would be expected to take approximately 1 hour per request. Automatic Nullification Request Process – None. Manual Notification Nullification Process – manual processes will be charged T&M. The nullification of each notification would be expected to take an average of 1 hour each. Automatic Notification Nullification Process – None.					
Testing Strategy					
Unit	✓	Change Specific	✓	End to End	
Module	✓	Operational Acceptance		Participant Testing	✓
System	✓	Performance		Parallel Running	
Regression		Volume		Deployment/ Backout	
Other:					
<p>Core Business Functionality Testing</p> <ul style="list-style-type: none"> Regression Scripts RT-01, RT-02 perform data set-up and these will be executed in both Dry and Main runs. The Regression Scripts RT-07, RT-08 and RT-09 will be executed in both Dry and Main runs. <p>System Testing</p> <ul style="list-style-type: none"> No System tests need updating or executing. No Performance tests need to be conducted. <p>Change Specific Testing</p> <ul style="list-style-type: none"> A new test script will be developed to handle the new functionality (for whichever option is selected). This new test will cover the following functionality: <ul style="list-style-type: none"> Automatic request: Loading automatic Nullification requests and sending Feedback, or Manual request: Running a script to report on the Authorisations currently in place, and Automatic nullification: Identification and nullification of Notifications (and Performed Notifications) in chronological order and sending Feedback and Forward Contract reports, or Manual nullification: Running a script to identify Notifications to be nullified. <p>These tests will be executed in Dry and Main Runs.</p>					
Validated Assumptions					
None.					
Outstanding Issues					
None					

Changes to Service							
Services Impacted <i>[Tick boxes to show impacted systems and associated documentation]</i>							
	BMRA	CDCA	CRA	ECVAA	SAA	TAA	Other
Software				✓			
IDD Part 1 (Docs)				✓			
IDD Part 1 (S'Sheet)				✓			
IDD Part 2 (Docs)							
IDD Part 2 (S'Sheet)							
URS				✓			
SS				✓			
DS				✓			
MSS				✓			
OSM				✓			
LWIs				✓			
RTP	None						
Comms	None						
Other	None						
Nature of Documentation Changes							
No OSM or LWI changes are required for Automatic Nullification Request Process and Automatic Notification Nullification Process.							
Nature / Size of System Changes							
Medium							
Type of Release Costed:				Standalone patch			
Deployment Issues, eg Outage Requirements:				None			
Impact on Service Levels:				None			
Impact on System Performance:				None			
Responsibilities of ELEXON							
<ul style="list-style-type: none"> For all DCRs which are subject to review, Logica shall provide one draft issue and a maximum of 5 working days has been allowed for ELEXON to review and comment on the updates. Comments will be addressed and the final issue will be provided. A maximum of 2 working days has been allowed for review confirmation and signoff by ELEXON. Within reasonable levels, ELEXON will make available appropriate staff to assist Logica during the development of this change. 							
Acceptance Criteria							
Acceptance criteria will be met through Change Specific testing.							
Any Other Information							
<p>Note: the solution to CP725 being developed for the Jun03 Release has been designed in anticipation of the Automatic Notification Nullification Process.</p> <p>The manual notification nullification process raises some implications which are described here:</p> <ul style="list-style-type: none"> Time to perform - the process of manually nullifying notifications could be very time consuming. If we take the example of TXU, we have estimated that this will take 1100 man hours of work to perform the task. This equates to 29 man weeks. Even allowing for bringing in a dedicated team of people at short notice (say 5 people) this process would take 6 weeks to complete. MVRN - given that the manual nullification will not be instant, the possible scenario exists where a MVRN will remain to be nullified thus preventing notification of a new (replacement) contract position with another party as this would exceed the 100% limit. By the time the nullification has been completed, gate closure is likely to have passed for some of the affected periods, leaving no 							

<p>reallocation in place. With this in mind, we have noted in our solutions (whether manual or automated) that we would give precedence to MVRN nullification over ECVN nullification for any given day.</p> <ul style="list-style-type: none"> • Credit check - until all nullification is complete, the results of any credit checks for the parties concerned will be wrong as credit percentage calculations will include data which is to be deleted. • Risk of error - updating 1100 notifications manually carries an associated risk of operator error thus extending the time before the correct contract and credit positions can be established. 		
Attachments		
P110 Price Presentation Option 1 Price Presentation Option 2 Price Presentation Option 3 Price Presentation Option 4 or 5		
PRICING		
Price Breakdown		
Item description	Remarks	Price (ex VAT)
Change Specific Cost	Option 1	£108,864
	Option 2	£61,656
	Option 3	£50,142
	Option 4 or 5	£88,267
Project Overhead	Option 1	£281,501
	Option 2	£198,173
	Option 3	£184,481
	Option 4 or 5	£271,247
Total Price		Option 1 - £390,365 Option 2 - £259,829 Option 3 - £234,623 Option 4 or 5 - £359,514
Project Duration		Option 1 – 15 weeks Option 2 – 10 weeks Option 3 – 9 weeks Option 4 or 5 – 14 weeks
Operational Price (per event)		Option 1 - £0 Option 2 – T&M (estimated £94,600 per event) Option 3 – T&M (estimated £96,320 per event) Option 4 or 5 – T&M (estimated £1,720 per event)
Rationale		
<p>For the options that incorporate manual nullification request processing, the estimated T&M prices have been derived using the following assumption:</p> <ul style="list-style-type: none"> • A Party in difficulty will have 20 counterparties which will request to nullify their contracts with that Party. <p>For the options that incorporate manual notification nullification processing, the estimated T&M prices have been derived using an example if these processes had been available at the point when action was taken in respect of TXU in 2002. At that point there were:</p> <ul style="list-style-type: none"> • 250 ECVNs that required nullification. • 850 MVRNs that required nullification. <p>Using these values the estimates are calculated using a Programmer grade as follows: Option 2 – estimated £86 per notification nullification for 1100 nullifications. Option 3 – estimated £86 per nullification request for 20 requests plus £86 per notification nullification for 1100 nullifications Option 4 or 5 – estimated £86 per nullification request for 20 requests</p>		

Annual Maintenance Price	Option 1 - £54,651 Option 2 - £36,376 Option 3 - £32,847 Option 4 or 5 - £50,332
Rationale	
The Annual Maintenance Price is derived as 14% of the Total Price.	
Validity Constraints	
<ul style="list-style-type: none"> • Price excludes provision for indexation of daily rates from 1st April 2003. • Price and duration assume that this change is developed in isolation and the effects of other changes are excluded. • No allowance is included in the price for Service Descriptions being different from the CP. • Price is for creating DCRs, not a formal documentation issue. • No allowance has been included for supporting PwC activities. <p>The validity period for this quote is 30 days and the offer is based on the following payment schedule:</p> <ul style="list-style-type: none"> • Logica will invoice 30% on receipt of Purchase Order or authorised start of work, 50% on completion of acceptance tests, 20% on deployment or one month after completion of acceptance tests, whichever is sooner. • Operate and maintain charges will be invoiced monthly in arrears. 	
Authorised Signature	Date Signed

ANNEX 3 BSC PARTY IMPACT ASSESSMENT RESPONSES

A high level impact assessment was issued with the P110 Requirements Specification (Reference 3 version 1) to BSC Parties on 9 December 2002 with a response due by 18 December 2002. Responses were received from 8 BSC Parties. The detailed responses received are attached below, summarised by question and also the original responses received.

Response	Organisation
Response 1	Powergen
Response 2	Scottish Power
Response 3	National Grid
Response 4	ConocoPhillips
Response 5	British Energy
Response 6	AES Drax

A3.1 Summary of BSC Party Responses

The options assessed during the impact assessment were as follows;

	Nullification Request Processing		Nullification of Contract Volumes		
	Automated Method	Manual Method	Automated Method	Semi-Automated Method	Manual Method
Option 1	✓		✓		
Option 2	✓				✓
Option 3		✓			✓
Option 4		✓	✓		
Option 5		✓		✓	

Q1 Please indicate the timescale for implementation of options 1 to 5 detailed within section 3 of the Requirements Specification and details of any impact on Party and Party Agent systems and processes.

Timescales

Response	Option 1	Option 2	Option 3	Option 4	Option 5
Response 1	3 months	3 months	1 week	1 week	1 week
Response 2	6 months	6 months	1 month	1 month	1 month
Response 3	6 Months	6 Months	10 Days	6 Months	10 Days
Response 4	4 weeks	4 weeks	N/A	N/A	N/A
Response 5	9-12 months	9-12 months	9-12 months	9-12 months	9-12 months
Response 6	3 months	3 months	1 month	3 months	3 months

Summary of impacts for each option

	Response 1	Response 2	Response 3	Response 4	Response 5	Response 6
1	Update flow handling & creation packages. Create automatic process for alerting receipt of a Nullification Request Feedback file. Implementation costs of £50,000. Probably not automate the nullification process.	Yes	Major change to systems and process	Systems would need to be changed to accept and send the new flows	All options have significant impact on multiple systems.	Need to amend systems to provide for electronic request/response flows and to automatically process an Extended I022. Major Amendment to Business process to deal with out-of-Business hours changes.
2						
3	Would have to ensure that all relevant staff were aware of the process, especially for unrequested receipt of a Nullification Request Feedback fax.	No	Minimal impact of working level procedures	No impact upon internal systems.		No systems changes. Major changes to business processes to deal with 7 day report anomaly
4			Consequential change to systems and process			Amend systems to automatically process Extended I022 and business process to deal with changes out-of-Business hrs.
Final						

5			Minimal impact of working level procedures			Amend systems to automatically process Extended IO22
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Q2 The SSMG’s assessment of P110 indicates that it has a close relationship with CP888 ‘Authorisation Terminations Effective on Receipt’. CP888 is currently the subject of a separate impact assessment. Please indicate, in so far as possible, the areas and nature of any overlap should CP888 be approved and implemented either with P110 or before P110 is implemented.

Our view is that there is no overlap between the two proposals. They are dealing with two separate processes, the nullification being dependent on the termination. The termination process is already captured in the BSC – the CP is trying to bring systems and processes into line, and so any timing issues that could be raised if P110 was to be implemented ahead of CP888 can be resolved through a Settlement Dispute.

Whilst there is a close relationship between these two proposals, there is no actual overlap. It would make sense, though, for the decision between manual and automated to be consistent over the two proposals.

We believe that there is minimum overlap and that CP888 can work with or without P110.

Q3 Please indicate if you believe that a manual process for nullifying notified volumes will have an adverse effect on party systems and processes and give rationale for this view (see section 3.3.3).

We believe that a manual process will have no effect on party systems, whereas an automated system would introduce new flows to be processed on a very infrequent basis, which would probably introduce risks of their own. The main effort for a Party will be the nullification of trades in its Notification and Position Management systems – given the very low volume of requests that will be raised it is unlikely that Parties will invest in automated processes triggered by the receipt of an electronic flow from the ECVA. We do not believe that there is a requirement for 24x7 processing of these requests as they are tied to other processes between trading parties that have to be carried out in business hours. We would expect that manual processes would be very much cheaper to implement, which saves costs to BSC Parties.

The requirements specification indicates that the manual process will carry out the nullifications retrospectively. Whilst we could live with this, it is not ideal and the preference would be for all the manual nullifications to be carried out at the one time, as soon as the request is authorised. It is not clear why this should not be possible.

We are aware that a manual process will lead to the ECVA-IO22 not reflecting the correct position following a nullification, however, we are happy to accept this.

Q4 Please also indicate if you believe that there are any other impacts or requirements that have not been highlighted in this document.

There may be a requirement to be able to withdraw a Nullification Request if other associated processes have not been carried out e.g. serving of termination notices. It is possible that the rejection of a Nullification Request should only be sent to the requesting Party. Can the requested start period for the nullification be outside business hours if the request is received in working hours?

Q5 Any other comments?

No comment

On the assumption that the Central BSC Systems costs are reasonable our preference is for Options 4 or 5. These options automate the actual nullifications, which minimises risk and time delays. It also minimises the impact on BSC Parties since there will be no need for new electronic dataflows. We believe that the likelihood of having to make such requests out of hours is low and so does not justify the cost of changes to the IDD and Party systems.

If the Central BSC Systems costs for Options 4 and 5 are not reasonable, then our preference would be for Option 3, as long as the manual nullifications are carried out in full at the time the request is authorised.

ConocoPhillips would like to state its support for the manual process as a result of the simplicity that completing BSCP 71 provides and the potential saving that can be gained from not requiring system changes by either central systems or BSC parties. ConocoPhillips believes that this provision shall be used in exceptional circumstances and therefore the BSCP method is sufficient.

Additional information required from Elexon if the modification goes forward:

- How will the "ECVAA-I014s produced for each settlement day retrospectively changed" fit in with the "normal" ECVAA-I014s? Will a party receive 2 separate types - a "normal" for the day in question plus as many further reports as appropriate for each settlement day retrospectively changed?
- Is the ECVAA-I014 intended to be the way that the party is informed when a manual nullification has been completed?
- The nullification request feedback will be sent to both parties - will the automatic termination request feedback messages also be sent to both parties?
- P110 para 3.2.1.3 - what is the definition of 'Business Hours' in this context?
- For Automated feedback they say that we could receive 7 day reports with up to 3 years of data in it. This could be a large file...could we process it?

A3.2 Detailed BSC Party Responses

Response 01

Respondent Name:	Tim Johnson
Responding on Behalf of :	Powergen UK plc
Role of Respondent:	
BCA	Geoff Allen
Date	17 th December 2002

1. Please indicate the timescale for implementation of options 1 to 5 detailed within section 3 of the Requirements Specification and details of any impact on Party and Party Agent systems and processes.

	Timescale	Impact on systems and processes
Option 1	3 months	We will have to get our NETA Communications Hub Supplier to modify their package to handle the new outward and inward flows. We will also have to get our supplier of our general NETA Message creator package to make the necessary modifications. We would need to create an automatic alerting process for receipt of a Nullification Request Feedback file. Implementation costs of the above would be £50,000. We would probably not automate the nullification process.
Option 2	As Option 1	As Option 1
Option 3	1 week	We would have to ensure that all relevant staff were aware of the process, especially for unrequested receipt of a Nullification Request Feedback fax.
Option 4	As Option 3	As Option 3
Option 5	As Option 3	As Option 3

2. The SSMG’s assessment of P110 indicates that it has a close relationship with CP888 ‘Authorisation Terminations Effective on Receipt’. CP888 is currently the subject of a separate impact assessment. Please indicate, in so far as possible, the areas and nature of any overlap should CP888 be approved and implemented either with P110 or before P110 is implemented.

Our view is that there is no overlap between the two proposals. They are dealing with two separate processes, the nullification being dependent on the termination. The termination process is already captured in the BSC – the CP is trying to bring systems and processes into line, and so any timing issues that could be raised if P110 was to be implemented ahead of CP888 can be resolved through a Settlement Dispute.

3. Please indicate if you believe that a manual process for nullifying notified volumes will have an adverse effect on party systems and processes and give rationale for this view (see section 3.3.3).

We believe that a manual process will have no effect on party systems, whereas an automated system would introduce new flows to be processed on a very infrequent basis, which would probably introduce risks of their own. The main effort for a Party will be the nullification of trades in its Notification and Position Management systems – given the very low volume of requests that will be raised it is unlikely that Parties will invest in automated processes triggered by the receipt of an electronic flow from the ECVA. We do not believe that there is a requirement for 24x7 processing of these requests as they are tied to other processes between trading parties that have to be carried out in business hours. We would expect that manual processes would be very much cheaper to implement, which saves costs to BSC Parties.

4. Please also indicate if you believe that there are any other impacts or requirements that have not been highlighted in this document.

There may be a requirement to be able to withdraw a Nullification Request if other associated processes have not been carried out e.g. serving of termination notices. It is possible that the rejection of a Nullification Request should only be sent to the requesting Party. Can the requested start period for the nullification be outside business hours if the request is received in working hours?

5. Any other comments:

N/A

Response 02

Respondent Name:	Man Kwong Liu
Responding on Behalf of :	Scottish Power UK plc ; ScottishPower Energy Trading Ltd.; Scottish Power Generation plc; ScottishPower Energy Retail Ltd.; SP Transmission plc; SP Manweb pl
Role of Respondent:	
BCA	Man Kwong Liu
Date	18/12/02

1. Please indicate the timescale for implementation of options 1 to 5 detailed within section 3 of the Requirements Specification and details of any impact on Party and Party Agent systems and processes.

	Timescale	Impact on systems and processes
Option 1	6 months	Yes
Option 2	6 months	Yes
Option 3	1 month	No
Option 4	1 month	No
Option 5	1 month	No

2. The SSMG’s assessment of P110 indicates that it has a close relationship with CP888 ‘Authorisation Terminations Effective on Receipt’. CP888 is currently the subject of a separate impact assessment. Please indicate, in so far as possible, the areas and nature of any overlap should CP888 be approved and implemented either with P110 or before P110 is implemented.

Whilst there is a close relationship between these two proposals, there is no actual overlap. It would make sense, though, for the decision between manual and automated to be consistent over the two proposals.

3. Please indicate if you believe that a manual process for nullifying notified volumes will have an adverse effect on party systems and processes and give rationale for this view (see section 3.3.3).

The requirements specification indicates that the manual process will carry out the nullifications retrospectively. Whilst we could live with this, it is not ideal and the preference would be for all the manual nullifications to be carried out at the one time, as soon as the request is authorised. It is not clear why this should not be possible.

4. Please also indicate if you believe that there are any other impacts or requirements that have not been highlighted in this document.

None

5. Any other comments:

On the assumption that the Central BSC Systems costs are reasonable our preference is for Options 4 or 5. These options automate the actual nullifications, which minimises risk and time delays. It also minimises the impact on BSC Parties since there will be no need for new electronic dataflows. We believe that the likelihood of having to make such requests out of hours is low and so does not justify the cost of changes to the IDD and Party systems.

If the Central BSC Systems costs for Options 4 and 5 are not reasonable, then our preference would be for Option 3, as long as the manual nullifications are carried out in full at the time the request is authorised.

Response 03

Respondent Name:	Clare Talbot
Responding on Behalf of :	National Grid
Role of Respondent:	
BCA	Clare Talbot
Date	18 December 2002

1. Please indicate the timescale for implementation of options 1 to 5 detailed within section 3 of the Requirements Specification and details of any impact on Party and Party Agent systems and processes.

	Timescale	Impact on systems and processes
Option 1	6 Months	Major change to systems and process
Option 2	6 Months	Major change to systems and process
Option 3	10 Days	Minimal impact of working level procedures
Option 4	6 Months	Consequential change to systems and process
Option 5	10 Days	Minimal impact of working level procedures

2. The SSMG's assessment of P110 indicates that it has a close relationship with CP888 'Authorisation Terminations Effective on Receipt'. CP888 is currently the subject of a separate impact assessment. Please indicate, in so far as possible, the areas and nature of any overlap should CP888 be approved and implemented either with P110 or before P110 is implemented.

We believe that there is minimum overlap and that CP888 can work with or without P110.

3. Please indicate if you believe that a manual process for nullifying notified volumes will have an adverse effect on party systems and processes and give rationale for this view (see section 3.3.3).

We are aware that a manual process will lead to the ECVAA-IO22 not reflecting the correct position following a nullification, however, we are happy to accept this.

4. Please also indicate if you believe that there are any other impacts or requirements that have not been highlighted in this document.

N/A

5. Any other comments:

None

Response 04

Respondent Name:	Rekha Patel
Responding on Behalf of :	ConocoPhillips
Role of Respondent:	
BCA	Rekha Patel
Date	18/12/02

Below is ConocoPhillips UK Limited response to the impact assessment of modification proposal P110, 'Nullification of volume notifications where no notifications are in place.'

ConocoPhillips would like to state its support for the manual process as a result of the simplicity that completing BSCP 71 provides and the potential saving that can be gained from not requiring system changes by either central systems or BSC parties. ConocoPhillips believes that this provision shall be used in exceptional circumstances and therefore the BSCP method is sufficient.

	Timescale	Impact on systems and processes
Option 1	4 weeks.	Assuming that a file format similar to an ECVN is sufficient, then a timescale of 4 weeks would be required. The file would need to be created and have the ability to be sent to central system. The internal system would also have to accommodate a return of a file stating whether the nullification request had been accepted or rejected.
Option 2	4 weeks.	The same impact experienced in Option 1.
Option 3	No timescale required by the participant as simply completed the new adapted "BSCP 71".	No impact upon internal systems.
Option 4	No timescale required.	No impact upon internal systems.
Option 5	No timescale required.	No impact upon internal systems.

Response 05

Respondent Name:	Rachel Ace
Responding on Behalf of :	British Energy Power and Energy Trading; Eggborough Power Ltd; British Energy Generation
Role of Respondent:	
BCA	
Date	18/12/02

Please provide responses to the following questions:

1. Please indicate the timescale for implementation of options 1 to 5 detailed within section 3 of the Requirements Specification and details of any impact on Party and Party Agent systems and processes.

	Timescale	Impact on systems and processes
Option 1	9-12 months	All options have significant impact on multiple systems.
Option 2	9-12 months	
Option 3	9-12 months	
Option 4	9-12 months	
Option 5	9-12 months	

2. The SSMG's assessment of P110 indicates that it has a close relationship with CP888 'Authorisation Terminations Effective on Receipt'. CP888 is currently the subject of a separate impact assessment. Please indicate, in so far as possible, the areas and nature of any overlap should CP888 be approved and implemented either with P110 or before P110 is implemented.

N/A

3. Please indicate if you believe that a manual process for nullifying notified volumes will have an adverse effect on party systems and processes and give rationale for this view (see section 3.3.3).

N/A

4. Please also indicate if you believe that there are any other impacts or requirements that have not been highlighted in this document.

N/A

5. Any other comments:

Additional information required from Elexon if the modification goes forward:

- How will the "ECVAA-I014s produced for each settlement day retrospectively changed" fit in with the "normal" ECVAA-I014s? Will a party receive 2 separate types - a "normal" for the day in question plus as many further reports as appropriate for each settlement day retrospectively changed?
- Is the ECVAA-I014 intended to be the way that the party is informed when a manual nullification has been completed?
- The nullification request feedback will be sent to both parties - will the automatic termination request feedback messages also be sent to both parties?
- P110 para 3.2.1.3 - what is the definition of 'Business Hours' in this context?
- For Automated feedback they say that we could receive 7 day reports with up to 3 years of data in it. This could be a large file...could we process it?

Response 06

Respondent Name:	Ian Foy
Responding on Behalf of :	AES Drax Power Ltd
Role of Respondent:	
BCA	Ian Foy
Date	18/12/02

Please provide responses to the following questions:

1. Please indicate the timescale for implementation of options 1 to 5 as detailed within section 3 of the Requirements Specification and details of any impact on Party and Party Agent systems and processes.

	Timescale	Impact on Systems & Processes
Option 1	3 months	Need to amend systems to provide for electronic request/response flows. Also to be able to process an Extended 7 day report (I022) automatically. Major Amendment to Business process to deal with out-of-Business hours changes.
Option 2	3 months	Need to amend systems to provide for electronic request/response flows. Major Amendment to Business process to deal with out-of-Business hours changes and 7 day report anomaly.
Option 3	1 month	No systems changes identified. Major changes to business processes to deal with 7 day report anomaly.
Option 4	3 months	Amend systems to be able to process an Extended 7 day report (I022) automatically. Amend Business process to deal with out-of-Business hours changes.
Option 5	3 Months	Amend systems to be able to process an Extended 7 day (I022) automatically.

2. Relationship with CP888:
We do not believe that our responses to P110 are dependent upon CP888 being approved and/or implemented. CP888-related processes are a pre-cursor to any P110-related processes and we do not believe that CP888 raises any issues which are not already covered above.
3. Manual process for nullifying notified volumes:
We are concerned that the manual process described i.e. "in time for Settlement II Run" will leave a Party with an indicated imbalance on any 7 day reports for all nullified periods for potentially 5 business days. We do believe that this would have an adverse effect on our business processes and opens up the possibility of a genuine 7 day report error being overlooked.
4. Any other impacts:
Our current systems do not have the ability to automatically receive and process an extended 7 day report. We would prefer that this process was left as a manual request by the Party(s) concerned if they so require it i.e. the process for getting Extended 7 day Reports is left as it is now.
5. Any other comments:

ANNEX 4 ASSESSMENT CONSULTATION

The assessment consultation was issued on 13 January 2003 with responses due by 23 January 2003. Representations were received from the following parties:

No	Company	File Number	No. BSC Parties Represented
1.	AES Drax	P110_ASS_001	1
2.	NGC	P110_ASS_002	1
3.	SmartestEnergy Ltd	P110_ASS_003	1
4.	Aquila Networks	P110_ASS_004	1
5.	British Gas Trading	P110_ASS_005	5
6.	J Aron & Company, The European Power Source Company (UK) Ltd	P110_ASS_006	2
7.	Scottish Power	P110_ASS_007	6
8.	LE Group	P110_ASS_008	7
9.	Scottish and Southern	P110_ASS_009	4
10.	Powergen	P110_ASS_010	15
11.	InterGen	P110_ASS_011	4
12.	British Energy (LATE RESPONSE – Not included in summary table)	P110_ASS_012	3

A4.1 Questions and Summary of Responses

The questions asked during the consultation and the summary of responses received were as follows:

Q	Yes		No		No Comment	
	Responses	BSC Parties	Responses	BSC Parties	Responses	BSC Parties
1	8	39	2	7	1	1
2	6	29	4	17	1	1
3						
4	7	26	2	19	2	2
5	9	39	1	7	1	1
6	8	30	2	16	1	1
7	2	10	8	36	1	1
8	7	35	3	11	1	1

Note: Bold shows the majority response.

Questions:

- Do you believe that P110 better facilitates achievement of the applicable BSC Objective(s). Please state which objective(s) and give rationale.
- Do you agree with the SSMG view that Option 5 is the implementation solution that should be used? Please give rationale.
- When do you believe the first period a Nullification Request can become effective from should be? Please give rationale.
- If an automatic process for the Nullification Request is used, do you believe that it is necessary to use a similar level of sensitivity to a contract notification, where Authorisation Keys are used? Please give rationale for response.
- Do you believe the requested start period for the nullification can be outside working hours, if the request is received and validated within working hours? Please give rationale.
- Do you believe that a report should be produced once the nullification process has been completed by the ECVAAs? If so, should this be a manual report or an automatic flow? Please give rationale.

7. Do you believe that P110 will undermine the firmness of contracts between BSC Parties? Please give rationale.
8. Do you believe the issues raised by P110 should be addressed through a modification to the Code? Please give rationale.
9. Are there any further comments on P110 that you wish to make?

A4.2 Responses Sorted by Question

Below is a summary of the responses received by question. Where responses from different parties were similar they have been merged into one cell. Where a party did not comment on a question they have not been shown in the table but have been included in the figures.

1. Do you believe that P110 better facilitates achievement of the applicable BSC Objective(s). Please state which objective(s) and give rationale.

R	Response	Rationale
3	NO	P110 merely shifts responsibility from external (to the BSC) contracts and commercial arrangements to the BSC
7	NO	It is not entirely clear to us that the BSC requires to be changed for this reason. This issue seems to be more a commercial arrangement between trading parties as defined in GTMA, which also specifies a fall back Agent if there is no ECVNA. The default nullification in this circumstance may have contractual trading implication. We believe the existing process involving a party in default or insolvency is operating satisfactorily, after the initial hiccups with Enron. We also think the cost for implementing any of the options far outweigh the perceived benefits. We therefore do not see it better facilitates any of the BSC Applicable Objectives.

R	Response	Rationale
1	YES	This Modification allows a Party to be able to limit its exposure to Imbalance in circumstances where either it, or another Party, has terminated all ECVNA Authorisations between the two Parties whilst leaving future Contract Volumes in place. In affording a Party this degree of control vis-a-vis its contractual position, we believe BSC objective c) will be better facilitated in that it mitigates the current un-bounded risk (which no Contractual Clause can, in fact, limit) associated with ECV Notifications.
2	YES	We believe that this modification will better facilitate BSC Objective (c) by mitigating Parties' risk to erroneous imbalance exposure.
5	YES	There is currently a defect in the BSC that can lead to a BSC Party being unable to amend their contract position. The proposed solution allows for that liability to be negated by the ability to nullify contract volumes. Therefore BGT believe that this Modification Proposal will assist in the mitigation of risk and thereby better facilitate applicable BSC Objective (c).
6	YES	The modification will promote effective competition in the generation and supply of electricity by providing a clear and unambiguous way of dealing with counterparty notifications during an event of default. This modification will help in reducing some of the notification risks associated with trading in the power market and provides additional safeguards for those counterparties who may not be acting as ECVNA for a particular bilateral agreement.
8	YES	Modification P110 better meets BSC applicable objective C "promoting effective competition in generation and supply". Without it parties who have cancelled their notification authorisation might not have a clean way out of a situation leaving stranded forward contract notifications with future effects which are not mutually agreed- for example evergreen contracts, would be the worst case.

R	Response	Rationale
9	YES	(c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity. We note that this potentially create the opportunity for inappropriate behavior by a Party leaving another Party liable to settlement exposure. A validation review between the Parties and Elexon is required to ensure there is no opportunity for abuse to occur.
10	YES	We believe this modification supports objective (c) (Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity) as it will increase confidence that parties can implement their trading intentions and will not be left stranded with un-removable notification commitments.
11	YES	We believe P110 better facilitates applicable BSC Objectives c and d by ensuring parties are not exposed to unlimited liabilities through no fault of their own.

2. Do you agree with the SSMG view that Option 5 is the implementation solution that should be used? Please give rationale.

R	Response	Rationale
5	NO	BGT support the provision of a semi- automated process with a 24/7 capability. BGT believe the problem highlighted by the Modification Proposal may occur at any time and as such BGT would require the ability to request nullification of contract volumes at any time of the operational day. BGT support the first stage in the process, the request for Nullification to be manual and thereby utilising a new form in BSCP71. The second part of the process, the removal of contract volumes should be automated to help mitigate risk.
6	NO	We would prefer Option 1 or 2, providing a 24/7 nullification process (as it seems a 24/7 process is not available under the manual options). While the frequency of events that require the Nullification Process to be used is low, the risk is high due to the erroneous notified volume potentially constituting the entire net position with a counterparty. The ability to nullify 'stranded' notified positions in the ECVAA systems at any time when both ECVNA Authorisations have been terminated needs to be a 24/7 process.
7	NO	See our answer to Qu. 1 above. Also, looking at the cost schedule, it is arguable that Option 4 seems a better option, considering it is automatic rather than semi-automatic in the Nullification of Contract Volumes for the similar cost. Option 4 takes longer to implement but urgency of implementation depends upon the frequency of occurrence of the event being addressed by P110. SSMG has indicated that such an event should not occur frequently. This adds to our scepticism about the desirability for any software solution given the costs of the options outlined.
11	NO	We believe that Option 4 is preferable. It has the same overall cost but ensures full automation of the nullification process. Although this would slightly delay implementation, the benefits would be seen in the long term.

R	Response	Rationale
1	YES	The anticipated usage of this facility is low. The Request processing operates to a similar timetable as the necessary pre-requisite of ECVNA Authorisation Termination. The (possibly Extended) ECVAA-I022 report shows a Party's true position within the BSC. The additional cost of an automated solution is not justified.
2	YES	We agree with the SSMG that option 5 gives the best overall solution of a semi-automatic process with minimal impact on Party systems.
3	YES	Option 5 probably gives the best balance for cost/effectiveness.
8	YES	Option 5 is a partially automated solution that comes quite close to being fully manual and so is likely to be economic. We would also be content with a fully manual solution (option 3) as we do not envisage P110 being utilised at all frequently.

R	Response	Rationale
9	YES	Yes, we agree with the SSMG rationale that Option 5 is the most cost effective solution and introduces the least potential for error compared to the other Options.
10	YES	This seems to provide the optimum mix of development / maintenance costs against costs of individual incidents. It also reduces the main risk, incorrect removal of notifications.

3. When do you believe the first period a Nullification Request can become effective from should be? Please give rationale.

R	Response	Rationale
5		BGT believe that BSC Parties wanting to nullify contract volumes for which Gate Closure has not yet passed should be able to specify the Settlement Period for which the termination becomes effective from. However, in view of the way in which Energy Indebtedness is calculated will the ECVAA be able to remove contract volumes for the next Settlement Period without impacting the accuracy of the Energy Indebtedness calculation? Dependent upon the response of the ECVAA it may be appropriate to introduce a delay in the process to ensure that the ECVAA can remove contract volumes without impinging on the Energy Indebtedness calculation. By limiting the process to within working hours this could result in a retrospective removal of contract volumes which could result in the incorrect calculation of BSC Parties Energy Indebtedness. A solution that could lead to BSC Parties Energy Indebtedness being incorrectly calculated is not preferable.
2	3 periods	The initial value of 3 periods as specified in the requirements specification is a pragmatic solution which allows for receipt and validation of the Nullification Request.
8	3 periods	The first period for effect should be 3 periods after a valid P110 cancellation notice. However, periods outside the business day should be counted, so that if the nullification request comes at 17:00, the nullification would not have effect until early the next business day. (Business day means 09:00 to 17:00 weekdays excluding bank holidays)
11	4 periods	2 hours after the end of the SP in which the ECVAA sends the Nullification Request Feedback to both counterparties.
1	ASAP	We believe that the Nullification request should be able to become effective from the first period after the mandatory pre-requisites are met. Our reasoning is that the occurrence of the mandatory precursor of ECVNA Termination means that the contractual relationship between the two parties has ended from that point and therefore either Party should be able to remove any forward commitment that is no longer valid. We note (and agree) that Nullification can only be by either Party and not by the Party Agent whereas ECVNA Termination can be by any one of the three roles.
6	ASAP	Parties should be able to specify from which point they want the Nullification Process to be effective from (including with effect from the next period after Gate Closure). The nullification process would be activated following an event of default and hence any appropriate delays are defined within the counterparty agreements (GTMA). There is no need therefore to delay further the application of the nullification within the BSC systems.
7	ASAP	Notwithstanding our answer to Qu.1 above, and dependent on the option chosen, the first Nullification period should be one that can be done as soon as possible. E.g. for an automatic process, it may be done within 30 mins, while a manual process may need a couple of hours. As soon as possible for the next pre-gate closure period

R	Response	Rationale
10	ASAP	From the first available non-gate-closed period if that is what is requested. If normal notification processes were used by one of the parties to remove notifications that it had submitted, or to counter-balance notifications submitted by the other party, then no notice would be provided to the other party. However, it is important that it is established that the non-requesting party is aware that the process is being undertaken.
3	Next SD	It may be easier for the nullification to begin on the next settlement day. So for example if the request were received today then the nullifications would take effect as from the beginning of the settlement day tomorrow.
9	No view	We have no particular views as the value of 'x' at this time.

4. If an automatic process for the Nullification Request is used, do you believe that it is necessary to use a similar level of sensitivity to a contract notification, where Authorisation Keys are used? Please give rationale for response.

R	Response	Rationale
1		We do not believe that the extra expense of an automatic process is justified. Were it found to be necessary/supported we believe that the extra complication of having ECVN Nullification Keys is not justified – you do not need Key's to terminate the ECVNA Authorisation.
9	No	No, a manual approach is, in our view, the preferred solution.
10	NO	We do not believe that an automatic process is appropriate.

R	Response	Rationale
2	YES	Whilst not agreeing with an automatic process for the nullification request, we believe that similar protocols should be in place to those when contracts are notified to maintain consistency.
3	YES	
5	YES	BGT do not support the use of a fully automated process, however if an automated process was implemented then a flow containing the details contained the ECVAA 1004 header should be used. This will negate the risk as the ECVAA can interrogate the database with a number of unique specific parameters. This principle should also be utilised in the manual solution, as it should prevent the wrong volumes being removed from Settlement.
6	YES	Existing levels of data security should apply equally to the Nullification Process as to the standard ECVN process. Possibly Authorisation Keys for ECVNA Authorisations that have been terminated should still be effective for the Nullification Process.
7	YES	Notwithstanding our answer to Qu.1 above, if an automatic process is used, it makes sense to ensure other process is consistent in its operation to ensure that security would not be compromised. However, this would probably involve more cost, which should be included for consideration in this modification proposal.
8	YES	The commercial effect is every bit as real as a contract notification, and we would expect the same type of controls to be in place.
11	YES	Yes, which is why we don't think an automatic process for a Nullification Request should be used. This will create unnecessary costs in terms of system modifications for both central services and participants.

5. Do you believe the requested start period for the nullification can be outside working hours, if the request is received and validated within working hours? Please give rationale.

R	Response	Rationale
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R	Response	Rationale
8	NO	We are sensitive to the need to ensure that small parties who may not have an out-of-hours operation are nonetheless able to become aware that their former counterparty has made a nullification request and have say 3 periods (90 minutes) notice to "trade out" of the impending effect of the nullification. This will ensure that P110 is operated in a controlled way that is fair on both former counter-parties so that everyone is left knowing their forthcoming position and able to manage the situation.

R	Response	Rationale
1	YES	This is the exact situation that can occur with the pre-requisite ECVNA Termination (taking into account ECVAA Service levels). As we believe that Nullification can occur immediately Termination is effective, we also believe that Nullification can occur outside business hours.
2	YES	Given the specific example quoted and if the "3 period delay" is adopted (see answer to Q4), then we believe that Parties will stay beyond the normal working hours to receive the Nullification Request Feedback form to ensure the process is complete.
3	YES	But the issue is that the other Party must confirm they have been made aware of the change to his position.
5	YES	On the basis that the ECVAA is able to remove the appropriate contract volumes from Settlement prior to the Energy Indebtedness Calculation being undertaken by the ECVAA. BGT do not believe that a within working hours solution is appropriate and would prefer a 24/7 capability.
6	YES	The Nullification Process needs to be able to be activated at any time, as an Event of Default sequence is by nature unpredictable.
7	YES	See our answer to Qu.3 above.
9	Yes	This seems sensible in the circumstances.
10	YES	There is no reason to constrain the requested start period.
11	YES	

6. Do you believe that a report should be produced once the nullification process has been completed by the ECVAA? If so, should this be a manual report or an automatic flow? Please give rationale.

	Response	Rationale
2	Manual	Given the potential low occurrence of this situation and our preference for low impact on Party systems, an automatic flow is not justified.

R	Response	Rationale
1	NO	Provided that notice of Nullification has been given which includes the effective from date/period we see no reason to have a confirmatory "we've done it" flow. A party can always request an (extended) ECVAA-I022 report if it so requires. This seems to align with other ECVAA processes e.g. ECVNA Termination.
10	NO	The current forward contract report provides an adequate view of future notifications, and is produced 4 times a day. Given that few parties notify more than 7 days ahead, and that any notification nullification mistakes can be rectified through trading disputes it seems unnecessary to provide further data.

R	Response	Rationale
5	YES	The additional report should be run by the ECVAA once the process has been completed. This should be in addition to the revised seven-day report, as this will provide the affected Parties with their final position after the nullification has taken place. BGT support the process being manual. The introduction of a manual flow will also remove the requirement for BSC Parties to configure their systems to interpret an additional infrequent dataflow.

R	Response	Rationale
6	YES	A simple electronic confirmation that the nullification process has been achieved should be sent to all affected Parties immediately on completion. Parties can confirm their forward nullified positions by requesting extended 7-day reports, as now
7	Yes	Notwithstanding our answer to Qu.1 above, while this would involve more cost, the affected parties need to be able to check their positions. Whether it is a manual report or automatic flow would depend on the option used.
8	YES	Proper reporting of the operation of P110 minimises the possibility of errors or misunderstanding. This report, being ex-post and relating to a mod that will only be rarely used, could be manual if automation is costly.
9	Yes	A manual report seems sensible in the circumstances with a copy of the report provided to all the Parties concerned.
11	YES	Yes. A manual report should suffice and will keep implementation costs to a minimum.
3	Yes/No	The 7-day report will show that the position has changed. However confirmation of the change may be useful in the situation described in question 5.

7. Do you believe that P110 will undermine the firmness of contracts between BSC Parties? Please give rationale.

	Response	Rationale
1	No	Industry Contracts already include clauses that seek to ensure a valid ECVNA Authorisation exists whenever a Contract exists, and that suitable remedies are in place should this not be the case. There are also clauses to deal with mis-Notifications (it could be argued that a Nullification could be construed as a mis-Notification). The mandatory pre-requisite of ECVNA Termination ensures that the contract has expired – at least in one Party's view. The BSC allows any Party to unilaterally terminate relevant ECVNA Authorisation(s) to which it is a Party. All this modification allows is for the Party(s) involved to be able to avoid Imbalance or Exposure to a BSC contract volume that no longer exists Contractually. It may be that the Party requesting Nullification is not the Party terminating an ECVNA Authorisation i.e. the Party has been left with remnant contract volumes by another Party.
2	NO	Obligations under the GTMA require Parties to maintain a capability for notifications to be made against their accounts. If this is removed (ie. cancelled ECVNA) then under the GTMA, that Party is liable to pay imbalance compensation subject to no events of default under the GTMA being invoked.
3	No	The contract will be as firm as it was before.
5	No	The Modification is removing a defect that will allow BSC Parties in a very specific set of circumstances to be able to manage their risk more effectively.
6	No	In activating the Nullification Process, counterparties will be acting in accordance with the counterparty agreements they have both been a signatory to.
8	No	It is not right that, in the absence of P110, former counterparties should be left with stranded contracts that possibly last forever with no means to void them. Otherwise the risks of operating in this market become much greater. The contractual instruments used for forward contracts (a non-BSC matter, we would expect the Power Trading Forum to check the contracts in the light of P110) would be highly likely to be written so as to ensure that any abuse of P110 to defeat a mutually-agreed ongoing contract would result in robust legal action and damages at law; we consider this highly unlikely.
10	NO	Most agreements for contracting between counterparties already allow for termination – this modification increases the ability of a party to implement the terms of those agreements
11	No	No. Contracts remain firm for the purposes of settlement irrespective of their notification status.

R	Response	Rationale
7	Yes	See our answer in Qu. 1

R	Response	Rationale
9	Yes	See our comments under Q9 below with regard to GTMA

8. Do you believe the issues raised by P110 should be addressed through a modification to the Code?
Please give rationale.

	Response	Rationale
3	No	The principle behind raising this modification is primarily to do with commercial problems and an inadequate fall back position in existing arrangements not related to the BSC.
7	No	See our answer in Qu. 1
9	No	see our comments under Q9 below with regard to GTMA.

R	Response	Rationale
1	Yes	The code should allow a Party to be in control of its exposure to actions that are implicit in the operation of the Code – in this case Imbalance. In circumstances where ECVN's have been submitted into the future e.g. evergreen contracts, this is not possible if the ECVNA Authorisations have been terminated by the other Party (unless either Party is in Default).
2	YES	P110 would make the BSC complementary to the GTMA's termination arrangements, which allow for cancellation of all the outstanding transactions between Parties once there is an 'Event of Default'.
5	Yes	There is a defect within the BSC that in circumstances where an Authorisation has been terminated and a new one cannot be agreed there is no method within the BSC to effect the removal of any erroneous contract notification.
6	Yes	These issues should be addressed through a modification to the Code. P110 resolves flaws in the BSC that enables energy contract volumes to be left 'stranded' with both counterparties unable to remove them. P110 allows counterparties to more effectively and unambiguously apply the requirements of the GTMA by removing an anomaly that cannot be managed through the GTMA – namely a counterparty failing to notify as required or ECVNA Authorisations being terminated in a distressed situation.
8	Yes	See answer to question 1.
10	YES	The code currently allows the possibility of notifications becoming 'un-removable', which is contrary to the intent of most trading agreements. It is the code that needs to be amended to fix this issue, and also to provide a more efficient way of carrying out business processes.
11	Yes	Yes. Currently one party may be left with unlimited liability. Correcting this will give reassurance of the robustness of the code.

9. Are there any further comments on P110 that you wish to make?

	Rationale
3	<p>It is important to consider how the Parties arrived at a situation in which one of them deemed it necessary to terminate the authorisation, if we consider with an example; In this situation Party B (under the current regime) has removed the authorisation, and as a result neither party can change the nominated position. The question is why did they deem it necessary to do this?</p> <p>I would speculate that it is possible that the nominated position is advantageous to Party B and not to Party A - hence as a negotiating tactic Party A may threaten to nominate all positions to zero in order to force a particular action from Party B. This threat (either real or assumed) could cause Party B (under the current arrangements) to withdraw the authorisation, i.e. prevent Party A from making any changes to the notified position. Under the current rules therefore (as long as they are quick enough) Party B "wins".</p> <p>With this proposed Modification Party A can remove the notified position irrespective of whether or not the authorisation has been removed. Effectively Party A "wins", presuming that their aim was to nullify the position as a negotiating tactic.</p> <p>Surely it is not a function of the BSC to say who is right or who is wrong in this commercial matter,</p>

	Rationale
	and the fact that the current rules mean that Party B "wins" (if they are quick enough) is not justification enough to say that they should be changed to ensure that Party A "wins". This must surely lead to the conclusion that such a matter is outside the scope of the BSC and that the commercially arranged contracts need to take into account this fact not the BSC. I accept the arguments that this all takes time and inevitably involves expensive lawyers - but this is surely a reality of competitive arrangements and the precarious financial position of particular market players can't be allowed to alter this. Commercial contracts and arrangements should be adapted to fit around the BSC, not the other way round.
7	Experience has shown that the suggested improvements would provide a marginal improvement to existing processes but the options presented are not price reflective and hence SP would not support any of these options in their current form.
9	In addition to the above we have concerns that this proposed Modification P110 may contravene clauses within the GTMA contracts. It would seem that for a Party to remove a contract notification they would require the other Party to have breached the terms of the GTMA. Accordingly we believe that the Modification Group should consider the implications of this Modification on GTMAs.

A4.3 Responses Received

P110_ASS_001 – AES Drax

Respondent:	<i>Ian Foy</i>
No. of BSC Parties Represented	1
BSC Parties represented	<i>AES Drax Power Ltd</i>
No. of non BSC Parties Represented	<i>Zero</i>
Name of non BSC Parties Responding on Behalf of	<i>N/A</i>
Role of Respondent	<i>Generator Party Agent</i>

Q	Question	Response	Rationale
1	Do you believe that P110 better facilitates achievement of the applicable BSC Objective(s). Please state which objective(s) and give rationale.	YES	This Modification allows a Party to be able to limit its exposure to Imbalance in circumstances where either it, or another Party, has terminated all ECVNA Authorisations between the two Parties whilst leaving future Contract Volumes in place. In affording a Party this degree of control vis-a-vis its contractual position, we believe BSC objective c) will be better facilitated in that it mitigates the current unbounded risk (which no Contractual Clause can, in fact, limit) associated with ECV Notifications.
2	Do you agree with the SSMG view that Option 5 is the implementation solution that should be used? Please give rationale.	YES	The anticipated usage of this facility is low. The Request processing operates to a similar timetable as the necessary pre-requisite of ECVNA Authorisation Termination. The (possibly Extended) ECVA-1022 report shows a Party's true position within the BSC. The additional cost of an automated solution is not justified.
3	When do you believe the first period a Nullification Request can become effective from should be? Please give rationale.		We believe that the Nullification request should be able to become effective from the first period after the mandatory pre-requisites are met. Our reasoning is that the occurrence of the mandatory precursor of ECVNA Termination means that the contractual relationship between the two parties has ended from that point and therefore either Party should be able to remove any forward commitment that is no longer valid. We note (and agree) that Nullification can only be by either Party and not by the Party Agent whereas ECVNA Termination can be by any one of the three roles.

Q	Question	Response	Rationale
4	If an automatic process for the Nullification Request is used, do you believe that it is necessary to use a similar level of sensitivity to a contract notification, where Authorisation Keys are used? Please give rationale for response.		We do not believe that the extra expense of an automatic process is justified. Were it found to be necessary/supported we believe that the extra complication of having ECVN Nullification Keys is not justified – you do not need Key's to terminate the ECVNA Authorisation.
5	Do you believe the requested start period for the nullification can be outside working hours, if the request is received and validated within working hours? Please give rationale.	YES	This is the exact situation that can occur with the pre-requisite ECVNA Termination (taking into account ECVAA Service levels). As we believe that Nullification can occur immediately Termination is effective, we also believe that Nullification can occur outside business hours.
6	Do you believe that a report should be produced once the nullification process has been completed by the ECVAA? If so, should this be a manual report or an automatic flow ? Please give rationale.	NO	Provided that notice of Nullification has been given which includes the effective from date/period we see no reason to have a confirmatory “we’ve done it” flow. A party can always request an (extended) ECVAA-I022 report if it so requires. This seems to align with other ECVAA processes e.g. ECVNA Termination.
7	Do you believe that P110 will undermine the firmness of contracts between BSC Parties ? Please give rationale	No	Industry Contracts already include clauses that seek to ensure a valid ECVNA Authorisation exists whenever a Contract exists, and that suitable remedies are in place should this not be the case. There are also clauses to deal with mis-Notifications (it could be argued that a Nullification could be construed as a mis-Notification). The mandatory pre-requisite of ECVNA Termination ensures that the contract has expired – at least in one Party’s view. The BSC allows any Party to unilaterally terminate relevant ECVNA Authorisation(s) to which it is a Party. All this modification allows is for the Party(s) involved to be able to avoid Imbalance or Exposure to a BSC contract volume that no longer exists Contractually. It may be that the Party requesting Nullification is not the Party terminating an ECVNA Authorisation i.e. the Party has been left with remnant contract volumes by another Party.
8	Do you believe the issues raised by P110 should be addressed through a modification to the Code? Please give rationale	Yes	The code should allow a Party to be in control of its exposure to actions that are implicit in the operation of the Code – in this case Imbalance. In circumstances where ECVN’s have been submitted into the future e.g. evergreen contracts, this is not possible if the ECVNA Authorisations have been terminated by the other Party (unless either Party is in Default).
9	Are there any further comments on P110 that you wish to make?	No	

P110_ASS_002 – NGC

Respondent:	<i>Name National Grid Co</i>
No. of BSC Parties Represented	One
BSC Parties represented	<i>Please list all BSC Parties responding on behalf of (including the respondent company if relevant). National Grid</i>
No. of non BSC Parties Represented	N/A
Name of non BSC Parties Responding on Behalf of	<i>Please list all Parties responding on behalf of (including the respondent company if relevant). N/A</i>
Role of Respondent	<i>(Supplier/Generator/ Trader / Consolidator / BSC Agent / Party Agent / other – please state ²) Transmission Company</i>

Q	Question	Response	Rationale
1	Do you believe that P110 better facilitates achievement of the applicable BSC Objective(s). Please state which objective(s) and give rationale.	YES	We believe that this modification will better facilitate BSC Objective (c) by mitigating Parties' risk to erroneous imbalance exposure.
2	Do you agree with the SSMG view that Option 5 is the implementation solution that should be used? Please give rationale.	YES	We agree with the SSMG that option 5 gives the best overall solution of a semi-automatic process with minimal impact on Party systems.
3	When do you believe the first period a Nullification Request can become effective from should be ? Please give rationale.	3 periods	The initial value of 3 periods as specified in the requirements specification is a pragmatic solution which allows for receipt and validation of the Nullification Request.
4	If an automatic process for the Nullification Request is used, do you believe that it is necessary to use a similar level of sensitivity to a contract notification, where Authorisation Keys are used? Please give rationale for response.	YES	Whilst not agreeing with an automatic process for the nullification request, we believe that similar protocols should be in place to those when contracts are notified to maintain consistency.
5	Do you believe the requested start period for the nullification can be outside working hours, if the request is received and validated within working hours? Please give rationale.	YES	Given the specific example quoted and if the "3 period delay" is adopted (see answer to Q4), then we believe that Parties will stay beyond the normal working hours to receive the Nullification Request Feedback form to ensure the process is complete.

² Delete as appropriate – please do not use strikethrough, this is to make it easier to analyse the responses

Q	Question	Response	Rationale
6	Do you believe that a report should be produced once the nullification process has been completed by the ECVAAs? If so, should this be a manual report or an automatic flow? Please give rationale.	Manual	Given the potential low occurrence of this situation and our preference for low impact on Party systems, an automatic flow is not justified.
7	Do you believe that P110 will undermine the firmness of contracts between BSC Parties? Please give rationale	NO	Obligations under the GTMA require Parties to maintain a capability for notifications to be made against their accounts. If this is removed (e. cancelled ECVNA) then under the GTMA, that Party is liable to pay imbalance compensation subject to no events of default under the GTMA being invoked.
8	Do you believe the issues raised by P110 should be addressed through a modification to the Code? Please give rationale	YES	P110 would make the BSC complementary to the GTMA's termination arrangements, which allow for cancellation of all the outstanding transactions between Parties once there is an 'Event of Default'.
9	Are there any further comments on P110 that you wish to make?	NO	

P110_ASS_003 – SmartestEnergy Ltd

Respondent:	<i>Robert Owens</i>
No. of BSC Parties Represented	1
BSC Parties represented	<i>SmartestEnergy Limited</i>
No. of non BSC Parties Represented	
Name of non BSC Parties Responding on Behalf of	
Role of Respondent	<i>Consolidator</i>

Q	Question	Response	Rationale
1	Do you believe that P110 better facilitates achievement of the applicable BSC Objective(s). Please state which objective(s) and give rationale.	NO	P110 merely shifts responsibility from external (to the BSC) contracts and commercial arrangements to the BSC
2	Do you agree with the SSMG view that Option 5 is the implementation solution that should be used? Please give rationale.	YES	Option 5 probably gives the best balance for cost/effectiveness.
3	When do you believe the first period a Nullification Request can become effective from should be? Please give rationale.		It may be easier for the nullification to begin on the next settlement day. So for example if the request were received today then the nullifications would take effect as from the beginning of the settlement day tomorrow.
4	If an automatic process for the Nullification Request is used, do you believe that it is necessary to use a similar level of sensitivity to a contract notification, where Authorisation Keys are used? Please give rationale for response.	YES	
5	Do you believe the requested start period for the nullification can be outside working hours, if the request is received and validated within working hours? Please give rationale.	YES	But the issue is that the other Party must confirm they have been made aware of the change to his position.
6	Do you believe that a report should be produced once the nullification process has been completed by the ECVAA? If so, should this be a manual report or an automatic flow?	Yes/No	The 7-day report will show that the position has changed. However confirmation of the change may be useful in the situation described in question 5.

Q	Question	Response	Rationale
	Please give rationale.		
7	Do you believe that P110 will undermine the firmness of contracts between BSC Parties? Please give rationale	No	The contract will be as firm as it was before.
8	Do you believe the issues raised by P110 should be addressed through a modification to the Code? Please give rationale	No	The principle behind raising this modification is primarily to do with commercial problems and an inadequate fall back position in existing arrangements not related to the BSC.
9	Are there any further comments on P110 that you wish to make?	YES	<p>It is important to consider how the Parties arrived at a situation in which one of them deemed it necessary to terminate the authorisation, if we consider with an example; In this situation Party B (under the current regime) has removed the authorisation, and as a result neither party can change the nominated position. The question is why did they deem it necessary to do this?</p> <p>I would speculate that it is possible that the nominated position is advantageous to Party B and not to Party A - hence as a negotiating tactic Party A may threaten to nominate all positions to zero in order to force a particular action from Party B. This threat (either real or assumed) could cause Party B (under the current arrangements) to withdraw the authorisation, i.e. prevent Party A from making any changes to the notified position. Under the current rules therefore (as long as they are quick enough) Party B "wins".</p> <p>With this proposed Modification Party A can remove the notified position irrespective of whether or not the authorisation has been removed. Effectively Party A "wins", presuming that their aim was to nullify the position as a negotiating tactic.</p> <p>Surely it is not a function of the BSC to say who is right or who is wrong in this commercial matter, and the fact that the current rules mean that Party B "wins" (if they are quick enough) is not justification enough to say that they should be changed to ensure that Party A "wins".</p> <p>This must surely lead to the conclusion that such a matter is outside the scope of the BSC and that the commercially arranged contracts need to take into account this fact not the BSC. I accept the arguments that this all takes time and inevitably involves expensive lawyers - but this is surely a reality of competitive arrangements and the precarious financial position of particular market players can't be allowed to alter this. Commercial contracts and arrangements should be adapted to fit around the BSC, not the other way round.</p>

P110_ASS_004 – Aquila Networks

Please find that Aquila Networks Plc response to P110 Assessment Consultation is 'No Comment'.

regards
Rachael Gardener

Deregulation Control Group & Distribution Support Office
AQUILA NETWORKS

P110_ASS_005 – British Gas Trading

Respondent:	British Gas Trading (BGT)
No. of BSC Parties Represented	5
BSC Parties represented	Accord Energy Limited, Centrica Kings Lynn, Centrica Peterborough and Regional Power Generators
No. of non BSC Parties Represented	
Name of non BSC Parties Responding on Behalf of	
Role of Respondent	Supplier/Generator/ Trader

Q	Question	Response	Rationale
1	Do you believe that P110 better facilitates achievement of the applicable BSC Objective(s). Please state which objective(s) and give rationale.	YES	There is currently a defect in the BSC that can lead to a BSC Party being unable to amend their contract position. The proposed solution allows for that liability to be negated by the ability to nullify contract volumes. Therefore BGT believe that this Modification Proposal will assist in the mitigation of risk and thereby better facilitate applicable BSC Objective (c).

Q	Question	Response	Rationale
2	Do you agree with the SSMG view that Option 5 is the implementation solution that should be used? Please give rationale.	NO	BGT support the provision of a semi- automated process with a 24/7 capability. BGT believe the problem highlighted by the Modification Proposal may occur at any time and as such BGT would require the ability to request nullification of contract volumes at any time of the operational day. BGT support the first stage in the process, the request for Nullification to be manual and thereby utilising a new form in BSCP71. The second part of the process, the removal of contract volumes should be automated to help mitigate risk.
3	When do you believe the first period a Nullification Request can become effective from should be ? Please give rationale.		BGT believe that BSC Parties wanting to nullify contract volumes for which Gate Closure has not yet passed should be able to specify the Settlement Period for which the termination becomes effective from. However, in view of the way in which Energy Indebtedness is calculated will the ECVAAs be able to remove contract volumes for the next Settlement Period without impacting the accuracy of the Energy Indebtedness calculation? Dependent upon the response of the ECVAAs it may be appropriate to introduce a delay in the process to ensure that the ECVAAs can remove contract volumes without impinging on the Energy Indebtedness calculation. By limiting the process to within working hours this could result in a retrospective removal of contract volumes which could result in the incorrect calculation of BSC Parties Energy Indebtedness. A solution that could lead to BSC Parties Energy Indebtedness being incorrectly calculated is not preferable.
4	If an automatic process for the Nullification Request is used, do you believe that it is necessary to use a similar level of sensitivity to a contract notification, where Authorisation Keys are used? Please give rationale for response.	YES	BGT do not support the use of a fully automated process, however if an automated process was implemented then a flow containing the details contained the ECVAAs 1004 header should be used. This will negate the risk as the ECVAAs can interrogate the database with a number of unique specific parameters. This principle should also be utilised in the manual solution, as it should prevent the wrong volumes being removed from Settlement.
5	Do you believe the requested start period for the nullification can be outside working hours, if the request is received and validated within working hours? Please give rationale.	YES	On the basis that the ECVAAs is able to remove the appropriate contract volumes from Settlement prior to the Energy Indebtedness Calculation being undertaken by the ECVAAs. BGT do not believe that a within working hours solution is appropriate and would prefer a 24/7 capability.

Q	Question	Response	Rationale
6	Do you believe that a report should be produced once the nullification process has been completed by the ECVAAs? If so, should this be a manual report or an automatic flow? Please give rationale.	YES	The additional report should be run by the ECVAAs once the process has been completed. This should be in addition to the revised seven-day report, as this will provide the affected Parties with their final position after the nullification has taken place. BGT support the process being manual. The introduction of a manual flow will also remove the requirement for BSC Parties to configure their systems to interpret an additional infrequent dataflow.
7	Do you believe that P110 will undermine the firmness of contracts between BSC Parties? Please give rationale	No	The Modification is removing a defect that will allow BSC Parties in a very specific set of circumstances to be able to manage their risk more effectively.
8	Do you believe the issues raised by P110 should be addressed through a modification to the Code? Please give rationale	Yes	There is a defect within the BSC that in circumstances where an Authorisation has been terminated and a new one cannot be agreed there is no method within the BSC to effect the removal of any erroneous contract notification.
9	Are there any further comments on P110 that you wish to make?	No	

P110_ASS_006 - J Aron & Company, The European Power Source Company (UK) Ltd

Respondent:	<i>Chris Teverson</i>
No. of BSC Parties Represented	2
BSC Parties represented	<i>J Aron & Company, The European Power Source Company (UK) Ltd</i>
No. of non BSC Parties Represented	0
Name of non BSC Parties Responding on Behalf of	
Role of Respondent	<i>Trader</i>

Q	Question	Response	Rationale
1	Do you believe that P110 better facilitates achievement of the applicable BSC Objective(s). Please state which objective(s) and give rationale.	YES	The modification will promote effective competition in the generation and supply of electricity by providing a clear and unambiguous way of dealing with counterparty notifications during an event of default. This modification will help in reducing some of the notification risks associated with trading in the power market and provides additional safeguards for those counterparties who may not be acting as ECVNA for a particular bilateral agreement.
2	Do you agree with the SSMG view that Option 5 is the implementation solution that should be used? Please give rationale.	NO	We would prefer Option 1 or 2, providing a 24/7 nullification process (as it seems a 24/7 process is not available under the manual options). While the frequency of events that require the Nullification Process to be used is low, the risk is high due to the erroneous notified volume potentially constituting the entire net position with a counterparty. The ability to nullify 'stranded' notified positions in the ECVAA systems at any time when both ECVNA Authorisations have been terminated needs to be a 24/7 process.
3	When do you believe the first period a Nullification Request can become effective from should be ? Please give rationale.	As soon as possible	Parties should be able to specify from which point they want the Nullification Process to be effective from (including with effect from the next period after Gate Closure). The nullification process would be activated following an event of default and hence any appropriate delays are defined within the counterparty agreements (GTMA). There is no need therefore to delay further the application of the nullification within the BSC systems.

Q	Question	Response	Rationale
4	If an automatic process for the Nullification Request is used, do you believe that it is necessary to use a similar level of sensitivity to a contract notification, where Authorisation Keys are used? Please give rationale for response.	YES	Existing levels of data security should apply equally to the Nullification Process as to the standard ECVN process. Possibly Authorisation Keys for ECVNA Authorisations that have been terminated should still be effective for the Nullification Process.
5	Do you believe the requested start period for the nullification can be outside working hours, if the request is received and validated within working hours? Please give rationale.	YES	The Nullification Process needs to be able to be activated at any time, as an Event of Default sequence is by nature unpredictable.
6	Do you believe that a report should be produced once the nullification process has been completed by the ECVAA? If so, should this be a manual report or an automatic flow? Please give rationale.	YES	A simple electronic confirmation that the nullification process has been achieved should be sent to all affected Parties immediately on completion. Parties can confirm their forward nullified positions by requesting extended 7-day reports, as now
7	Do you believe that P110 will undermine the firmness of contracts between BSC Parties? Please give rationale	No	In activating the Nullification Process, counterparties will be acting in accordance with the counterparty agreements they have both been a signatory to.
8	Do you believe the issues raised by P110 should be addressed through a modification to the Code? Please give rationale	Yes	These issues should be addressed through a modification to the Code. P110 resolves flaws in the BSC that enables energy contract volumes to be left 'stranded' with both counterparties unable to remove them. P110 allows counterparties to more effectively and unambiguously apply the requirements of the GTMA by removing an anomaly that cannot be managed through the GTMA – namely a counterparty failing to notify as required or ECVNA Authorisations being terminated in a distressed situation.
9	Are there any further comments on P110 that you wish to make?	No	

P110_ASS_007 – Scottish Power

Respondent:	<i>Man Kwong Liu</i>
No. of BSC Parties Represented	<i>6</i>
BSC Parties represented	<i>Please list all BSC Parties responding on behalf of (including the respondent company if relevant). Scottish Power UK plc ; ScottishPower Energy Trading Ltd.; Scottish Power Generation plc; ScottishPower Energy Retail Ltd.; SP Transmission plc; SP Manweb plc.</i>
No. of non BSC Parties Represented	
Name of non BSC Parties Responding on Behalf of	<i>Please list all Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent	<i>(Supplier/Generator/ Trader / Consolidator / BSC Agent / Party Agent / other – please state ³) All</i>

Q	Question	Response	Rationale
1	Do you believe that P110 better facilitates achievement of the applicable BSC Objective(s). Please state which objective(s) and give rationale.	NO	It is not entirely clear to us that the BSC requires to be changed for this reason. This issue seems to be more a commercial arrangement between trading parties as defined in GTMA, which also specifies a fall back Agent if there is no ECVNA. The default nullification in this circumstance may have contractual trading implication. We believe the existing process involving a party in default or insolvency is operating satisfactorily, after the initial hiccups with Enron. We also think the cost for implementing any of the options far outweigh the perceived benefits. We therefore do not see it better facilitates any of the BSC Applicable Objectives.
2	Do you agree with the SSMG view that Option 5 is the implementation solution that should be used? Please give rationale.	NO	See our answer to Qu. 1 above. Also, looking at the cost schedule, it is arguable that Option 4 seems a better option, considering it is automatic rather than semi-automatic in the Nullification of Contract Volumes for the similar cost. Option 4 takes longer to implement but urgency of implementation depends upon the frequency of occurrence of the event being addressed by P110. SSMG has indicated that such an event should not occur frequently. This adds to our scepticism about the desirability for any software solution given the costs of the options outlined.

³ Delete as appropriate – please do not use strikethrough, this is to make it easier to analyse the responses

Q	Question	Response	Rationale
3	When do you believe the first period a Nullification Request can become effective from should be ? Please give rationale.	As soon as possible for the next pre-gate closure period	Notwithstanding our answer to Qu.1 above, and dependent on the option chosen, the first Nullification period should be one that can be done as soon as possible. E.g. for an automatic process, it may be done within 30 mins, while a manual process may need a couple of hours.
4	If an automatic process for the Nullification Request is used, do you believe that it is necessary to use a similar level of sensitivity to a contract notification, where Authorisation Keys are used? Please give rationale for response.	YES	Notwithstanding our answer to Qu.1 above, if an automatic process is used, it makes sense to ensure other process is consistent in its operation to ensure that security would not be compromised. However, this would probably involve more cost, which should be included for consideration in this modification proposal.
5	Do you believe the requested start period for the nullification can be outside working hours, if the request is received and validated within working hours? Please give rationale.	YES	See our answer to Qu.3 above.
6	Do you believe that a report should be produced once the nullification process has been completed by the ECVAA? If so, should this be a manual report or an automatic flow? Please give rationale.	Yes	Notwithstanding our answer to Qu.1 above, while this would involve more cost, the affected parties need to be able to check their positions. Whether it is a manual report or automatic flow would depend on the option used.
7	Do you believe that P110 will undermine the firmness of contracts between BSC Parties? Please give rationale	Yes	See our answer in Qu. 1
8	Do you believe the issues raised by P110 should be addressed through a modification to the Code? Please give rationale	No	See our answer in Qu. 1
9	Are there any further comments on P110 that you wish to make?	Yes	Experience has shown that the suggested improvements would provide a marginal improvement to existing processes but the options presented are not price reflective and hence SP would not support any of these options in their current form.

P110_ASS_008 – LE Group

Respondent:	PAUL MOTT
No. of BSC Parties Represented	7
BSC Parties represented	LE Group (EPN Distribution Ltd, London Electricity plc, London Electricity Group plc, Jade Power Generation Ltd, London Power Networks plc, Sutton Bridge Power, West Burton Ltd)
No. of non BSC Parties Represented	
Name of non BSC Parties Responding on Behalf of	<i>Please list all Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent	<i>Supplier, Generator, Distribution Network Operator</i>

Q	Question	Response	Rationale
1	Do you believe that P110 better facilitates achievement of the applicable BSC Objective(s). Please state which objective(s) and give rationale.	YES	Modification P110 better meets BSC applicable objective C “promoting effective competition in generation and supply”. Without it parties who have cancelled their notification authorisation might not have a clean way out of a situation leaving stranded forward contract notifications with future effects which are not mutually agreed– for example evergreen contracts, would be the worst case.
2	Do you agree with the SSMG view that Option 5 is the implementation solution that should be used? Please give rationale.	YES	Option 5 is a partially automated solution that comes quite close to being fully manual and so is likely to be economic. We would also be content with a fully manual solution (option 3) as we do not envisage P110 being utilised at all frequently.
3W	When do you believe the first period a Nullification Request can become effective from should be ? Please give rationale.		The first period for effect should be 3 periods after a valid P110 cancellation notice. However, periods outside the business day should be counted, so that if the nullification request comes at 17:00, the nullification would not have effect until early the next business day. (Business day means 09:00 to 17:00 weekdays excluding bank holidays)
4	If an automatic process for the Nullification Request is used, do you believe that it is necessary to use a similar level of sensitivity to a contract notification, where Authorisation Keys are used? Please give rationale for response.	YES	The commercial effect is every bit as real as a contract notification, and we would expect the same type of controls to be in place.

Q	Question	Response	Rationale
5	Do you believe the requested start period for the nullification can be outside working hours, if the request is received and validated within working hours? Please give rationale.	NO	We are sensitive to the need to ensure that small parties who may not have an out-of-hours operation are nonetheless able to become aware that their former counterparty has made a nullification request and have say 3 periods (90 minutes) notice to "trade out" of the impending effect of the nullification. This will ensure that P110 is operated in a controlled way that is fair on both former counter-parties so that everyone is left knowing their forthcoming position and able to manage the situation.
6	Do you believe that a report should be produced once the nullification process has been completed by the ECVAA? If so, should this be a manual report or an automatic flow ? Please give rationale.	YES	Proper reporting of the operation of P110 minimises the possibility of errors or misunderstanding. This report, being ex-post and relating to a mod that will only be rarely used, could be manual if automation is costly.
7	Do you believe that P110 will undermine the firmness of contracts between BSC Parties ? Please give rationale	No	It is not right that, in the absence of P110, former counterparties should be left with stranded contracts that possibly last forever with no means to void them. Otherwise the risks of operating in this market become much greater. The contractual instruments used for forward contracts (a non-BSC matter, we would expect the Power Trading Forum to check the contracts in the light of P110) would be highly likely to be written so as to ensure that any abuse of P110 to defeat a mutually-agreed ongoing contract would result in robust legal action and damages at law; we consider this highly unlikely.
8	Do you believe the issues raised by P110 should be addressed through a modification to the Code? Please give rationale	Yes	See answer to question 1.
9	Are there any further comments on P110 that you wish to make?	No	

P110_ASS_009 – Scottish and Southern

Respondent:	Garth Graham, Scottish and Southern Energy plc
No. of BSC Parties Represented	
BSC Parties represented	Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd. and SSE Energy Supply Ltd
No. of non BSC Parties Represented	
Name of non BSC Parties Responding on Behalf of	
Role of Respondent	

Q	Question	Response	Rationale
1	Do you believe that P110 better facilitates achievement of the applicable BSC Objective(s). Please state which objective(s) and give rationale.	YES	(c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity. We note that this potentially create the opportunity for inappropriate behavior by a Party leaving another Party liable to settlement exposure. A validation review between the Parties and Elexon is required to ensure there is no opportunity for abuse to occur.
2	Do you agree with the SSMG view that Option 5 is the implementation solution that should be used? Please give rationale.	YES	Yes, we agree with the SSMG rationale that Option 5 is the most cost effective solution and introduces the least potential for error compared to the other Options.
3W	When do you believe the first period a Nullification Request can become effective from should be ? Please give rationale.		We have no particular views as the value of 'x' at this time.
4	If an automatic process for the Nullification Request is used, do you believe that it is necessary to use a similar level of sensitivity to a contract notification, where Authorisation Keys are used? Please give rationale for response.	No	No, a manual approach is, in our view, the preferred solution.
5	Do you believe the requested start period for the nullification can be outside working hours, if the request is received and validated within working hours? Please give rationale.	Yes	This seems sensible in the circumstances.

Q	Question	Response	Rationale
6	Do you believe that a report should be produced once the nullification process has been completed by the ECVAA? If so, should this be a manual report or an automatic flow ? Please give rationale.	Yes	A manual report seems sensible in the circumstances with a copy of the report provided to all the Parties concerned.
7	Do you believe that P110 will undermine the firmness of contracts between BSC Parties ? Please give rationale	Yes	See our comments under Q9 below with regard to GTMA
8	Do you believe the issues raised by P110 should be addressed through a modification to the Code? Please give rationale	No	see our comments under Q9 below with regard to GTMA.
9	Are there any further comments on P110 that you wish to make?	Yes	In addition to the above we have concerns that this proposed Modification P110 may contravene clauses within the GTMA contracts. It would seem that for a Party to remove a contract notification they would require the other Party to have breached the terms of the GTMA. Accordingly we believe that the Modification Group should consider the implications of this Modification on GTMAs.

P110_ASS_010 – Powergen

Respondent:	Tim Johnson
No. of BSC Parties Represented	15
BSC Parties represented	Powergen UK plc, Powergen Retail Limited, Diamond Power Generation Limited, Cottam Development Centre Limited, TXU Europe Drakelow Limited, TXU Europe Ironbridge Limited, TXU Europe High Marnham Limited, Midlands Gas Limited, Western Gas Limited, TXU Europe (AHG) Limited, TXU Europe (AH Online) Limited, Citigen (London) Limited, Severn Trent Energy Limited (known as TXU Europe (AHST) Limited), TXU Europe (AHGD) Limited and Ownlabel Energy Limited.
No. of non BSC Parties Represented	N/A
Name of non BSC Parties Responding on Behalf of	N/A
Role of Respondent	Supplier / Generator/ Trader / Consolidator / Party Agent

Q	Question	Response	Rationale
1	Do you believe that P110 better facilitates achievement of the applicable BSC Objective(s). Please state which objective(s) and give rationale.	YES	We believe this modification supports objective (c) (Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity) as it will increase confidence that parties can implement their trading intentions and will not be left stranded with un-removable notification commitments.
2	Do you agree with the SSMG view that Option 5 is the implementation solution that should be used? Please give rationale.	YES	This seems to provide the optimum mix of development / maintenance costs against costs of individual incidents. It also reduces the main risk, incorrect removal of notifications.
3	When do you believe the first period a Nullification Request can become effective from should be ? Please give rationale.		From the first available non-gate-closed period if that is what is requested. If normal notification processes were used by one of the parties to remove notifications that it had submitted, or to counter-balance notifications submitted by the other party, then no notice would be provided to the other party. However, it is important that it is established that the non-requesting party is aware that the process is being undertaken.

Q	Question	Response	Rationale
4	If an automatic process for the Nullification Request is used, do you believe that it is necessary to use a similar level of sensitivity to a contract notification, where Authorisation Keys are used? Please give rationale for response.	NO	We do not believe that an automatic process is appropriate.
5	Do you believe the requested start period for the nullification can be outside working hours, if the request is received and validated within working hours? Please give rationale.	YES	There is no reason to constrain the requested start period.
6	Do you believe that a report should be produced once the nullification process has been completed by the ECVAA? If so, should this be a manual report or an automatic flow? Please give rationale.	NO	The current forward contract report provides an adequate view of future notifications, and is produced 4 times a day. Given that few parties notify more than 7 days ahead, and that any notification nullification mistakes can be rectified through trading disputes it seems unnecessary to provide further data.
7	Do you believe that P110 will undermine the firmness of contracts between BSC Parties? Please give rationale	NO	Most agreements for contracting between counterparties already allow for termination – this modification increases the ability of a party to implement the terms of those agreements
8	Do you believe the issues raised by P110 should be addressed through a modification to the Code? Please give rationale	YES	The code currently allows the possibility of notifications becoming un-removable, which is contrary to the intent of most trading agreements. It is the code that needs to be amended to fix this issue, and also to provide a more efficient way of carrying out business processes.
9	Are there any further comments on P110 that you wish to make?	NO	

P110_ASS_011 – InterGen

Respondent:	<i>Chris Ridgway</i>
No. of BSC Parties Represented	4
BSC Parties represented	<i>CECL, IETS, RPCL, SPAL</i>
No. of non BSC Parties Represented	0
Name of non BSC Parties Responding on Behalf of	<i>N/a</i>
Role of Respondent	<i>Generator</i>

Q	Question	Response	Rationale
1	Do you believe that P110 better facilitates achievement of the applicable BSC Objective(s). Please state which objective(s) and give rationale.	YES	We believe P110 better facilitates applicable BSC Objectives c and d by ensuring parties are not exposed to unlimited liabilities through no fault of their own.
2	Do you agree with the SSMG view that Option 5 is the implementation solution that should be used? Please give rationale.	NO	We believe that Option 4 is preferable. It has the same overall cost but ensures full automation of the nullification process. Although this would slightly delay implementation, the benefits would be seen in the long term.
3	When do you believe the first period a Nullification Request can become effective from should be ? Please give rationale.		2 hours after the end of the SP in which the ECVAA sends the Nullification Request Feedback to both counterparties.
4	If an automatic process for the Nullification Request is used, do you believe that it is necessary to use a similar level of sensitivity to a contract notification, where Authorisation Keys are used? Please give rationale for response.	YES	Yes, which is why we don't think an automatic process for a Nullification Request should be used. This will create unnecessary costs in terms of system modifications for both central services and participants.
5	Do you believe the requested start period for the nullification can be outside working hours, if the request is received and validated within working hours? Please give rationale.	YES	

Q	Question	Response	Rationale
6	Do you believe that a report should be produced once the nullification process has been completed by the ECVAAs? If so, should this be a manual report or an automatic flow? Please give rationale.	YES	Yes. A manual report should suffice and will keep implementation costs to a minimum.
7	Do you believe that P110 will undermine the firmness of contracts between BSC Parties? Please give rationale	No	No. Contracts remain firm for the purposes of settlement irrespective of their notification status.
8	Do you believe the issues raised by P110 should be addressed through a modification to the Code? Please give rationale	Yes	Yes. Currently one party may be left with unlimited liability. Correcting this will give reassurance of the robustness of the code.
9	Are there any further comments on P110 that you wish to make?	No	

LATE RESPONSE P110_ASS_012 – British Energy

Respondent:	<i>Martin Mate</i>
No. of BSC Parties Represented	British Energy Power & Energy Trading Ltd, British Energy Generation Ltd, Eggborough Power Ltd
BSC Parties represented	3
No. of non BSC Parties Represented	
Name of non BSC Parties Responding on Behalf of	
Role of Respondent	

Q	Question	Response	Rationale
9	Are there any further comments on P110 that you wish to make?		<p>British Energy acknowledges the bilateral risk presented by a counterparty failing to honour its obligations under a bilateral contract, and the need for a method to nullify notifications going forward where there is no reasonable expectation of satisfactory resolution by other means. For example, notifications for volumes with a party in financial difficulty, or seriously erroneous notifications by a notification agent, where BSC default has not actually occurred.</p> <p>We note that parties do have a method of limiting bilateral exposure in the normal course of events, which is to appoint an independent notification agent and notify only relatively short periods at a time.</p> <p>We also note that the events considered are very rare.</p> <p>The consultation paper concentrates on methods of nullifying notifications and does not indicate what would initiate such a process.</p> <p>We are not convinced that a business case exists to move to an arrangement where notification volumes are automatically removed where no authorisations exist. Although such an arrangement was considered and could have been developed prior to NETA go-live, we do not believe it would be cost-effective to implement now, noting that it could subtly change the balance of risk in existing bilateral contracts, could require changes to the terms required in bilateral contracts, and could require significant system changes for participants. ie. BSC efficiency objective not met.</p>

Q	Question	Response	Rationale
			<p>Therefore such a process should not be available for parties simply to terminate notifications as an automatic consequence of there being no notification authorisation in place between two parties. It should be exercisable only in extreme circumstances where the BSC Panel has reasonable</p> <p>evidence that resolution by other means is not achievable. Because the process is expected to be used very infrequently, and possibly never, an appropriate implementation option should be selected to maximise the cost benefit. We suspect this will be the manual process described as option 3.</p> <p>If a business case was made and such a process were to be implemented as an automatic method of removing notification volumes where no authorisation exists, considerable notice should be given (at least a year) to allow the change to be factored into external contracts such as the Grid Trade Master Agreement, and for participant systems to be modified.</p>

ANNEX 5 TERMS OF REFERENCE

Modification Proposal P110 will be considered by the Settlement Standing Modification Group (SSMG) in accordance with the SSMG Terms of Reference.

Assessment Procedure

The Modification Group will carry out an Assessment Procedure in respect of Modification Proposal P110 pursuant to section F2.6 of the Code.

The Modification Group will produce an Assessment Report for consideration at the BSC Panel Meeting on 13 February 2003.

The Modification Group shall consider and/or include in the Assessment Report as appropriate:

- Whether the Applicable BSC Objectives would be better facilitated by introducing a new mechanism to protect Parties from the risk of ECVNs being left on the ECVAAs system after all Notification Authorisations have expired. An alternative view might be that this issue is best addressed through the terms of the contract between the two Parties, rather than under the Code;
- Clarification of the conditions under which the nullification process can be invoked and whether it is sufficient that all Notification Authorisations between the two Parties have been terminated. It may also be necessary to show that "the Party and counter-Party cannot agree to establish new Authorisations";
- Clarification of the process for initiating the nullification and the extent to which BSCCo involvement is required;
- Clarification of the mechanism to be used by the ECVAAs in order to 'nullify' contract notifications;
- Clarification of reporting requirements i.e. the information to be provided to the two Parties;
- Whether it is appropriate to extend the process to Metered Volume Reallocation Notifications given that the Modification Proposal specifically mentions Energy Contract Volume Notifications; and
- Whether the availability of the P110 process (which allows contract notifications to be unwound unilaterally at a late stage in the process of terminating authorisations) would reduce the incentives on Parties to unwind their positions through a timely and mutually agreed process?