

<b>Change Proposal – F40/01 (Page 1 of 2)</b>	<b>CP No: 858</b> <i>(mandatory by BSCCo)</i>
<b>Title :</b> Inclusion of Energy Indebtedness data within ECVAA-I014 Report issued to BSC Parties	
<p><b>Description of Change</b></p> <p>The ECVAA-I014 (E0141) report (as sent to BSC Parties) is intended to provide information on their Credit Cover position. At the moment the format of the report does not provide sufficient information for all Parties to adequately monitor and manage their Credit Cover position. This proposal requests additional data to be included in the report so that BSC Parties are in receipt of the necessary information to adequately manage their credit position.</p>	
<p><b>Proposed Solution(s)</b></p> <p>A revised version of the E0141 report should be produced. For BSC Parties, this should contain the following additional items of data in the 'IDD' group, reporting on the Credit Cover position for each settlement period:</p> <ul style="list-style-type: none"> <li>Actual Energy Indebtedness (AEI)</li> <li>Credit Assessment Energy Indebtedness (CEI)</li> <li>Energy Indebtedness (EI) <i>(as this is equal to AEI+CEI it is not strictly necessary, but should be included for completeness)</i></li> </ul> <p>An additional item of data should be added to the 'NOH' group:</p> <ul style="list-style-type: none"> <li>Last date for which Actual Energy Indebtedness is included in the calculations.</li> </ul> <p>An alternative solution could be to change the format of the CCP variable such that the lodging of a nominal amount of Credit Cover (e.g. £1) would allow the calculation of EI from CCP and the Credit Limit. It is likely that a format to report CCP values down to -999,999,999% would be needed for this.</p>	

**Justification for Change**

Currently the E0141 file includes information on BSC Parties' Credit Cover position by reporting the Credit Cover Percentage (CCP) for each settlement period.

If a Party has lodged zero Credit Cover, because it expects a negative Energy Indebtedness (EI), then its CCP will be reported as -999.99999%.

There is no means by which such a Party can verify its own internal calculations of its EI and its Credit Cover position against the ECVAAs calculations, so the first indication that either set of calculations is erroneous might be the Party going into Level 2 Credit Default - an event with dire consequences which would have been prevented had the calculations been verified. It is only Parties that have lodged sufficient Credit Cover so that CCP is inside the range -1000% to +1000% that may check the value of EI with the present E0141 format.

The implementation of Modification P2 on 30 September 2002 will mean that (i) there is increased potential for Credit Cover requirements to change rapidly, and (ii) further information is required for the calculations, which should therefore be reported to BSC Parties so they may perform validation checks. Therefore the importance of a complete data set will increase.

The E0141 report is presumably considered to satisfy the BSC Section V requirement on the ECVAAs to report *'For each Contract Trading Party, a summary relating to that Contract Trading Party of Energy Contract Volumes and Metered Volume Reallocations in respect of accepted notifications for the given Settlement Day and indebtedness data once these notifications are taken into account'*.

There is no specific definition of *'indebtedness data'*. However BSC Section M only used the word *'indebtedness'* in relation to *'Energy Indebtedness'* (EI) so it is questionable whether the E0141 reporting of CCP only does indeed satisfy this requirement.

The proposed solution will ensure that all BSC Parties have sufficient information to monitor their Credit Positions, taking into account the changes resulting from Modification P2, and will ensure that the BSC Section V requirement is satisfied.

This change would better facilitate the BSC Objective of *'Promoting efficiency in the implementation and administration of the balancing and settlement arrangements'*.

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<b>Other Configurable Items Potentially Affected by Proposed Solution(s)</b> <i>(optional by BSCCo)</i>	
<b>Impact on Core Industry Documents</b> Modifications to the Data Catalogue documentation will be needed to reflect the revised format of the ECVAA-I014 report.  This change proposal does not affect the BSC.	
<b>Related Changes and/or Projects</b> <i>(mandatory by BSCCo)</i>	
<b>Originator's Details:</b>  <b>BCA Name:</b>  <b>Organisation:</b> First Hydro Company  <b>Email Address:</b>  <b>Date:</b> 18 September 2002	
Attachments: No (If Yes, No. of Pages attached:.....) <i>(delete as appropriate)</i>	