

## Change Proposal – F40/01 (Page 1 of 4)

CP No:553

(mandatory by BSCCo)

### Title (mandatory by originator) Amendments to FAA URS

#### Description of Change (mandatory by originator)

This Change Proposal has been raised to address inconsistencies initially identified by the NETA Programme and subsequently reviewed by ELEXON.(IPR CP005)

#### Inconsistency 209

FAA URS FAA-R035 has a requirement for the SAA and BSCCo to approve the Payment Calendar, the Code section N 3.1.1 (a) state that BSCCo should be the only approver.

#### Inconsistency 212

Under the Code Section N 9.6.5 (b) (i) v 1.1 states that interest should be reported in the default notice notified to BSCCo, the Panel and each Payment Party, (Code N 9.6.4 (d)), FAA URS Issue 7 v11 needs to be amended to include interest in flow FAA-R073.

#### Inconsistency PWC25

Issue resolved, however in the Inconsistency Review it was noted that there is inconsistent naming conventions:

Logica IDD Part 2 Issue 3\_6 – CRA-I015 (Output) BM Unit, Interconnector and GSP Group Data;

FAA IDD Part 2 Issue 9 v11 – FAA-I026 BM Unit and Energy Account Registration Data; and

FAA URS Issue 7 v11– FAA-R065 Receive BM Unit and Energy Account Registration Data.

#### Inconsistency PWC26

Issue resolved, however in the review it was noted that there is inconsistent naming conventions:

FAA IDD Part 2 Issue 9 v11– FAA-I005 Credit Call Request; and

FAA URS Part 2 Issue 12 v15 – FAA-R072 Issue Credit Call Request.

#### Inconsistency PWC27

Issue resolved, however in the review it was noted that there is inconsistent naming conventions:

FAA IDD Issue 9 v11– FAA-I007 Notice of Default; and

FAA URS Issue 7 v11 – FAA-R007 Declared Defaults.

#### Inconsistency BSCP\_301\_44:

BSCP301 step 3.3.6 and Code section N 8.4.1 say that in the case of Excess Payments, the FAA should endeavour to credit the relevant account by 14:30 on the Payment Date; FAA-R016 says to credit the account on a mutually agreed date.

#### Inconsistency BSCP\_301\_46:

Payment Confirmations: BSCP301 step 3.3.9 and Code section N 8.2.1 say that the FAA confirms that payments have been credited to the Collection Account by 13:00 on the Payment Date; FAA-R071 gives no deadline for this step. Add a deadline of 13:00 to the URS.

#### Inconsistency BSCP\_301\_48:

Step 3.3.10 of BSCP301 states that the FAA will ensure that amounts credited to each Collection Account have been remitted to the Clearing Account no later than 13:30 on the Payment Date; FAA-R071 says by 14:00.

**Inconsistency BSCP\_301\_55:**

BSCP301 step 3.3.14 requires the FAA to arrange transfers, if necessary, from the Reserve or Borrowing Accounts to the Clearing Account; The FAA URS section FAA-R018 only mentions the Borrowing Account.

**Inconsistency PWC44**

Original inconsistency has been addressed, however, the FAA URS flow FAA-R008 & R009 should reference URS flows FAA-R014, R015, R016, R017 & R045.

**Inconsistency 209**

Code Section N 3.1.1 (a) states that BSCCo are the approvers of the Payment Calendar. The FAA URS FAA-R035 states that the SAA and BSCCo should approve the Payment Calendar.

**Amendments Identified by FAA & ELEXON****2.1.2 Manage Credit Cover (FAA-R002)in URS:**

Section M of the Code paragraph 2.2.3 states "Where a Trading Party has provided a Letter of Credit, the FAA shall notify the Trading Party of the date on which it is due to expire, not less than 20 Business Days before that date". Currently FAA-R002 states that the FAA notify the Trading Party not less than 10 working days.

In addition the code Section M 2.1.1 states that a Trading Party may provide credit cover by delivering to the FAA a Letter of Credit or a Cash Deposit, however, the FAA URS FAA-R002 details 4 means by which credit cover can be lodged:

- Approved Credit Rating
- Cash Deposit
- Letter of Credit
- Parent Company Guarantee

**2.1.4 Establish Credit Cover Provided (FAA-R004)in URS -**

Under the FAA URS FAA-R004 the ECVAA are not notified that a Party has provided credit cover. However in practice both the ECVAA and BSCCo are notified.

**2.1.5 Monitor Credit cover Provided (FAA-R005)in URS -**

This is not an FAA function and should be deleted.

**Proposed Solution(s) (mandatory by originator)****Inconsistency 209**

FAA URS FAA-R035: Remove the requirement for the SAA to approve the Payment Calendar.

**Inconsistency 212**

FAA URS Issue 7 v11 should be amended to include interest in flow FAA-R073.

**Inconsistency PWC25**

The FAA URS and Logical IDD should be amended to "BM Unit and Energy Account Registration Data". (*The amendment to the Logical IDD is covered in a separate CP.*)

**Inconsistency PWC26**

FAA IDD should be amended to reflect title in FAA URS "Issue Credit Call Request"

**Inconsistency PWC27**

FAA IDD should be amended to reflect title in FAA URS "Declared Defaults"

**Inconsistency BSCP\_301\_44:**

The FAA URS should be changed so that the FAA has a deadline of 14:30 on the Payment Date.

**Inconsistency BSCP\_301\_46:**

FAA URS FAA-R071 needs to be amended to detail a deadline of 13:00.

**Inconsistency BSCP\_301\_48:**

Change the URS so that the deadline is the same as that in the Code and the BSCP at 13:30.

**Inconsistency BSCP\_301\_55:**

Change the URS so that transfers may be made from both the Borrowing and Reserve Accounts, and vice versa.

**Inconsistency PWC44**

The FAA URS flow FAA-R008 & R009 should reference URS flows FAA-R014, R015, R016, R017 & R045.

**Inconsistency 209**

The FAA URS FAA-R035 should be amended to only reference BSCCo as the Payment Calendar approver.

**Amendments Identified by FAA & ELEXON****2.1.2 Manage Credit Cover (FAA-R002)in URS:**

The system will store credit cover provision details for each BSC Party. Credit cover provision will be permissible by at least one of the following means:

- Cash Deposit
- Letter of Credit

Full details of allowable means of provision will be provided in the Credit Policy. The FAA will monitor the credit ratings for each Bank issuing a Letter of Credit on behalf of a Party. This exercise will be carried out off-line utilising the FAA's Bloomberg software. The FAA will monitor the expiry dates of the Letters of Credit and not later than [20] working days before any outstanding Letter of Credit is due to expire, procure from the BSC Trader appropriate credit cover for a further period of not less than [3] months.

There's an impact on the Service Description (5.6.2) as a result of this proposal from the point of view of the 20 day timescale.

**2.1.4 Establish Credit Cover Provided (FAA-R004)in URS -**

Once the Party has provided credit cover, the FAA will inform the ECVAA and the BSCCo of the calculated ECC FAA-R004.

Additionally the flow FAA-I020 should be referenced in URS 2.1.4

**2.1.5 Monitor Credit cover Provided (FAA-R005)in URS -**

This flow should be covered under the ECVAA URS.

**Justification for Change (mandatory by originator)**

To remove inconsistencies between BSCP301 version 2, Code version 1.1 Logica IDD Issue 3 version 6 & FAA URS Issue 7 version 11.

<p align="center"><b>Change Proposal – F40/01 (Page 4 of 4)</b></p>	<p><b>MP No:</b> <i>(mandatory by BSCCo)</i></p>
<p><b>Other Configurable Items Potentially Affected by Proposed Solution(s)</b> <i>(optional by BSCCo)</i>          FAA URS Issue &amp; version 11          FAA Service Description</p>	
<p><b>Impact on Core Industry Documents</b> <i>(optional by originator)</i></p>	
<p><b>Related Changes and/or Projects</b> <i>(mandatory by BSCCo)</i></p>	
<p><b>Originator's Details:</b></p> <p><b>BCA Name...</b> Inconsistency Review Project.....</p> <p><b>Organisation</b>.....</p> <p><b>Email Address</b>.....</p> <p><b>Date</b>.....25<sup>th</sup> May 2001.....</p> <p><b>Organisation</b>.....</p>	
<p>Attachments: Y/N*      (If Yes, No. of Pages attached:.....)  <i>(delete as appropriate)</i></p>	