

Title (mandatory by originator)

Formalise manual interactions between the FAA and the BSCCo relating to Credit Cover.

Description of Change (mandatory by originator)

There are two instances whereby an informal arrangement exists between BSCCo and the Funds Administration Agent (FAA) relating to the provision of Credit Cover:

- 1) The FAA currently notifies the ECVAA of changes to Credit Cover via dataflow ECVAA-1006 / FAA-I019 "Credit Limit Data". However there is no requirement for this notification to be sent to the BSCCo. BSCCo requires this data so that they can ensure that the ECVAA system has been updated with the changes to the Credit Cover. The BSCCo have therefore implemented an informal process whereby the FAA notify the BSCCo of Credit Cover changes via an e:mail. If the ECVAA rejects the file submitted by the FAA, then the FAA will be required to notify BSCCo of a revised file.
- 2) The BSCCo currently notifies the FAA, via an e:mail, of those instances where a party's indebtedness breaches the 80% Credit Cover limit. The FAA needs this information so that they are aware that further Credit Cover will be lodged. FAA can then deal with processing the additional Credit Cover urgently.

This CP proposes to formalise the existing informal arrangements.

Proposed Solution(s) (mandatory by originator)

Proposal 1

- 1) There are three potential options:
 - a) The FAA to provide a copy of the ECVAA-1006 / FAA-I019 to BSCCo via e:mail (using the following address 'credit-default@elexon.co.uk'). This is the current solution and is easily implemented with minimal cost. However an additional file would need to be sent by the FAA to the BSCCo if there was a rejection of the file by the ECVAA; or
 - b) The FAA to electronically provide the ECVAA-1006 / FAA-I019 to BSCCo via the NETA network. This solution requires changes to the FAA interface and therefore will require a longer lead-time for implementation and will be more costly than option a. Additionally, a revised file would need to be sent by the FAA to the BSCCo if there was a rejection of the file by the ECVAA.
 - c) Alternatively the ECVAA could send a copy of the correct file received from the FAA. There are two potential methods:
 - i) e:mail. This option is easily implemented with minimal cost.
 - ii) NETA network. This option requires changes to the ECVAA interface and therefore will require a longer lead-time for implementation and will be more costly than options a and c i.

Either of these options (ie. c i) and c ii)) will result in only the final file being sent to the BSCCo, which is not the case under options a and b.

The preferred option is c i) because it ensures that the correct file is passed on to the BSCCo and can be implemented relatively quickly with minimum cost.

There may be an impact on:

- ❑ Process 3.6 “Manage Credit Cover” of BSCP301 “Clearing, Invoicing and Payment” so that the FAA provides notification of changes to Credit Cover to the BSCCo (options a and b).
- ❑ Interface Definition Design documents (all options).
- ❑ NETA Data File Catalogue (all options).
- ❑ BSCCo local working instructions (all options).
- ❑ FAA Agreement (options a and b).
- ❑ FAA User Requirement Specification (options a and b).
- ❑ FAA local working instructions (options a and b).
- ❑ ECVAA User Requirement Specification (option c).
- ❑ ECVAA local working instructions (option c).

Proposal 2

- 1) Modify process 3.6 “Manage Credit Cover” of BSCP301 so that the:
 - a) BSCCo notifies the FAA where the 80% Credit Cover limit has been reached; and
 - b) FAA processes the additional Credit Cover urgently once received.

There may be an additional impact on the:

- ❑ NETA Data File Catalogue.
- ❑ FAA Agreement.
- ❑ FAA User Requirements Specification.
- ❑ Interface Definition Design documents.
- ❑ FAA Operational Service Manual.
- ❑ FAA local working instructions.
- ❑ BSCCo local working instructions.

Justification for Change *(mandatory by originator)*

Will ensure that there is a formalised standard procedure adopted for handling the passing of credit cover information.

Other Configurable Items Potentially Affected by Proposed Solution(s) *(optional by BSCCo)*

Change Proposal – F40/01 (Page 3 of 3)	CP No: <i>(mandatory by BSCCo)</i>
Impact on Core Industry Documents <i>(optional by originator)</i>	
Related Changes and/or Projects <i>(mandatory by BSCCo)</i>	
Originator's Details: BCA Name: Organisation: ELEXON Email Address: Date: [BSC Panel Representative]: Organisation:	
Attachments: No	