

Balancing and Settlement Code

BSC PROCEDURE

Processing of Manifest Error Claims

BSCP14

Version 7.0~~Version 6.0~~

Date: 7 November 2013~~28 February 2008~~

BSC Procedure 14
relating to
PROCESSING OF MANIFEST ERROR CLAIMS

1. Reference is made to the Balancing and Settlement Code and, in particular, to the definition of “BSC Procedure” in Section X, Annex X-1 thereof.
2. This is BSC Procedure 14, Version 7.0~~Version 6.0~~ relating to the processing of Manifest Error Claims.
3. This BSC Procedure is effective from 7 November 2013~~28 February 2008~~.
4. This BSC Procedure has been approved by the Panel.

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AMENDMENT RECORD

Version	Date	Description of Changes	Changes Included	Mods/ Panel/ Committee Refs
1.0	09/08/02	New Procedure	CP735	48/023
2.0	24/06/03	Changes for the CVA June 03 Release	CP735 (variation from original CP)	Panel 48/023
3.0	30/06/04	Change Proposals for the CVA Programme June 04 Release	CP989	ISG40/003
4.0	03/11/04	Change Proposal for the CVA Programme Nov 04 Release – incorporating peer review comments	CP1032	TDC58/03
5.0	23/02/05	CVA Programme Feb 05 Release	BETTA 6.3 P159	78/007
6.0	28/02/08	February 08 Release	CP1198	TDC104/04
<u>7.0</u>	<u>07/11/13</u>	<u>November 2013 Release</u>	<u>CP1399</u>	<u>TBC</u>

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1 Introduction

1.1 Purpose and Scope of the Procedure

This Procedure describes the steps to be taken in order to process a Manifest Error claim, from the initial raising of such a claim by the Lead Party of an affected BM Unit or the Transmission Company, to the final settlement of any payments in relation to the claim.

1.2 Main Users of the Procedure and their Responsibilities

The main users of this procedure are:

- (a) Trading Parties
- (b) The Transmission Company (TC)
- (c) BSCCo (specifically the Disputes Secretary)¹
- (d) The BSC Panel (or Panel Committee)² and its secretariat
- (e) The Balancing Mechanism Reporting Agent (BMRA)
- (f) The Settlement Administration Agent (SAA)
- (g) The Funds Administration Agent (FAA)

All of the above have a responsibility for fulfilling their obligations under the Balancing and Settlement Code (BSC), either directly or via other contractual arrangements with signatories to the BSC, in respect of ensuring adherence to the Manifest Error claims process.

1.3 Key Milestones

The key milestones in this procedure are as follows:

- (a) Raising and Flagging of Manifest Error claims (claims to be raised within 4 hours of the relevant Bid/Offer Acceptance Time, and notifications of such claims to be made within specified timescales);
- (b) Investigation and collation of evidence in respect of Manifest Error claims. Where possible presentation of this information to the Panel/Panel Committee for adjudication and determination of any replacement Bid/Offer prices should be in such time as to allow these prices to be replaced prior to the relevant Initial Settlement Run;

¹ The Disputes Secretary (as defined under BSCP11) shall undertake the obligations of BSCCo and the Panel Secretary as referred to in BSC Section Q7, and shall be responsible for liaison with the relevant secretariat function in respect of 1.2(d) above.

² The BSC Panel, in accordance with BSC Section Q 7.4.2, may appoint a Panel Committee to discharge its functions in respect of Manifest Errors. At its meeting of 22 March 2001 the BSC Panel delegated authority for adjudication of Manifest Error claims and determination of replacement Bid/Offer Prices to the Trading Disputes Committee, with effect from NETA Go-live.

- (c) Raising claims for payment of an error compensation amount (as defined under BSC Section Q7.6.2) in relation to Manifest Errors. This must be done within 5 WD of the adjudication made in respect of Manifest Errors as described in paragraph (b) above; and
- (d) Effecting payments in relation to Manifest Error claims (e.g. of any error compensation amount and/or fees to be paid by the Raising Party).

1.4 Balancing and Settlement Code Provision

This BSCP should be read in conjunction with the Code. This BSCP has been produced in accordance with the provisions of the Code. In the event of an inconsistency between the provisions of this BSCP and the Code, the provisions of the Code shall prevail.

1.5 Associated BSCP Procedures

The main BSCPs that interface with this procedure are detailed below:

[Housekeeping] BSCP11 - Trading ~~Queries and Trading~~ Disputes.

[Housekeeping] BSCP38 ~~— Authorisations (or where appropriate BDTP38). Please note referrals throughout this document to BSCP38 also relate to the associated BDTP38 where appropriate.~~

1.6 Overview of Manifest Error Treatment in the BSC

BSC Section Q7 states that a Manifest Error claim may be raised by the Lead Party of a BM Unit in relation to a single Bid-Offer Pair; or by the Transmission Company in relation to a single Bid-Offer Acceptance (and, therefore, may be in relation to more than one Bid-Offer Pair). Such a Manifest Error may arise if a Lead Party submits an erroneously priced Bid/Offer in relation to one of its BM Units, and this Bid/Offer is accepted; or, if the TC erroneously accepts a Bid/Offer.

A Lead Party may raise a Manifest Error claim by giving notice of such claim to the Transmission Company. Within 15 minutes of the claim being raised the Transmission Company notifies BSCCo and the BMRA (although in practice, the TC enters the data directly into the BMRA system).

The Transmission Company may raise a Manifest Error claim by giving notice of such claim to BSCCo (Cc: the affected Lead Party) and the BMRA.

The information placed on the BMRS in relation to the claim includes the identity of the BM Unit concerned, the relevant Settlement Period, and the Bid Price or Offer Price to which the claimed error relates.

Claims must be raised as soon as is reasonably practicable, but in any event within 4 hours of the relevant Bid-Offer Acceptance Time. It is the responsibility of the Raising Party to ensure that the claim is made within this 4-hour time limit. For the purposes of determining whether or not this 4-hour time constraint has been complied with, claims will be deemed to have been received at the time of sending of the relevant email/fax.

Parties raising a Manifest Error claim are required to pay a non-returnable fee of £5000 (or such other amount determined by the Panel under Section Q7.2.3 of the BSC). Where a claim is raised outside of the 4-hour time limit, the Raising Party will still be required to pay this fee.

Manifest Error claims are considered by the Panel (or a Committee appointed by the Panel) in accordance with Section Q7.4 of the BSC. The Panel (or Panel Committee) is responsible for determining whether a Manifest Error occurred, and (in consultation with the Transmission Company) the replacement price which should be substituted for both the Bid Price and the Offer Price of the erroneously accepted Bid-Offer Pair should the Manifest Error claim be upheld.

The affected Lead Party may also raise a claim for payment of an error compensation amount in relation to the Manifest Error. If such a claim is raised, the Panel (or Panel Committee)³ determines (broadly speaking):

- in the case of an Offer that is the subject of a Manifest Error claim, whether the avoidable costs associated with the change in output arising from the physical response from the affected BM Unit exceeded the amount paid to the Lead Party by virtue of replacing the Offer Price with the replacement Offer Price; or
- in the case of a Bid that is the subject of a Manifest Error claim, whether the avoidable costs associated with the change in output arising from the physical response from the affected BM Unit was less than the amount paid by the Lead Party by virtue of replacing the Bid Price with the replacement Bid Price;

and in each case what additional payments are to be made to the affected Lead Party to cover such difference.

In practice, error compensation payments that amount to less than £500 will not be processed.

In the case of a Manifest Error on the part of the Transmission Company, any error compensation amount payable to the Lead Party shall be recovered from the Transmission Company. In the case of a Manifest Error on the part of the Lead Party, the error compensation amount shall be recovered from each Trading Party (in accordance with its Party Daily Reallocation Proportions).

³ At its meeting of 3 May 2001 the BSC Panel delegated authority to the Trading Disputes Committee to determine the error compensation amount in respect of Manifest Error claims.

2 Acronyms and Definitions

2.1 Acronyms

The terms used in this BSCP are defined as follows:

~~[Housekeeping: BETTA Data Take On Procedure
redundant
item]BDTP~~

BOA	Bid-Offer Acceptance
BSC	Balancing & Settlement Code (“the Code”)
BSCCo	Balancing & Settlement Code Company (i.e. ELEXON)
BMU	Balancing Mechanism Unit
BMRA	Balancing Mechanism Reporting Agent
BMRS	Balancing Mechanism Reporting Service
DS	Disputes Secretary
FAA	Funds Administration Agent (Logica EPFAL)
TC	the Transmission Company
SAA	Settlement Administration Agent
TDC	Trading Disputes Committee
WD(s)	Working Day(s)

2.2 Definitions

Lead Party	The BSC Party registered to the BMU that is the subject of the Manifest Error claim.
Raising Party	The Party (i.e. the Transmission Company or the Lead Party) that originally raises the Manifest Error claim.
Affected Party	In relation to a particular Manifest Error claim, whichever of the Transmission Company or the relevant Lead Party did not raise that claim.

From hereon within this procedure, the Panel Committee to whom the BSC Panel has delegated authority for its obligations under BSC Section Q7 (i.e. the TDC) shall be referred to directly.

Similarly the DS shall be referred to directly where that role fulfils in practice the obligations of the Panel Secretary or BSCCo as referred to in BSC Section Q7.

3 Interface and Timetable Information

3.1 Manifest Error Claims raised by the Lead Party

REF.	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.1.1	As soon as reasonably practicable after becoming aware of the error, but in any event within 4 hours of the relevant Bid-Offer Acceptance Time	Make a claim for a Manifest Error ⁴	BSC (Lead) Party for BM Unit under claim	Transmission Company	Completed Lead Party Manifest Error Claim Form (F14/01)	Email/fax
3.1.2	Within 15 minutes of receipt of the claim in 3.1.1	Validate claim to confirm that it has been raised within the above timescales and notify the Raising Party ⁵	Transmission Company	BSC (Lead) Party	Lead Party Manifest Error Claim Form (F14/01) signed by the Transmission Company	Email/fax
3.1.3	The same timescales as 3.1.2	Notify BSCCo	Transmission Company	DS	Lead Party Manifest Error Claim Form (F14/01) signed by the Transmission Company	Email/fax
3.1.4	The same timescales as 3.1.2	Place Lead Party Manifest Error claim information on BMRS ⁶	Transmission Company	BMRA	Identity of BM Unit, relevant Settlement Period and the Bid Price or Offer Price to which the claim relates	Electronic

⁴ The Manifest Error claim relates to a particular Bid-Offer Pair

⁵ The Transmission Company will invalidate all claims raised to it which are outside the timescales defined in 3.1.1. For the avoidance of doubt, BSCCo should still be notified of the claim and the Manifest Error claiming fee will still be payable by the Raising Party. Where a BSC Party has a disagreement with the Transmission Company over these timescales, then that BSC Party shall immediately raise a Query to the DS in accordance with BSCP11.

⁶ In the event of the BMRS being down, where a claim for Manifest Error is made within office hours, the Transmission Company shall request that ELEXON send out a circular notifying participants of such a claim. Where a claim is made outside of office hours, the Transmission Company will not be deemed to be in breach of 3.1.4.

3.2 Manifest Error Claims raised by the Transmission Company

REF.	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.2.1	As soon as is reasonably practicable after becoming aware of the error, but in any event within 4 hours of the relevant Bid-Offer Acceptance time	Make a claim for a Manifest Error ⁷⁸	Transmission Company	DS, : BSC (Lead) Party for BM Unit under claim	Completed Transmission Company Manifest Error Claim Form (F14/02) In the event of a BOA number not being generated (e.g. when a BOA is issued via telephone during an outage), the Transmission Company should provide details of the relevant BOA as required under Manifest Error Claim Form (F14/02).	Email/fax
3.2.2	Within 15 minutes of 3.2.1	Place Transmission Company Manifest Error claim information on BMRS ⁹	Transmission Company	BMRA	Identity of BM Unit, relevant Settlement Period(s) and the Bid Price(s) or Offer Price(s) to which the claim relates	Electronic
3.2.3	The same timescales as 3.2.2	Confirm receipt	BSC (Lead) Party	Transmission Company, Cc: DS	Transmission Company Manifest Error Claim Form (F14/02) signed by the Lead Party	Email/fax

⁷ The DS will invalidate all Manifest Error Claims raised to it by the Transmission Company which are outside the timescales defined in 3.2.1. For the avoidance of doubt the Manifest Error Raising Fee will still be payable by the Transmission Company.

⁸ The Manifest Error claim relates to a particular Bid-Offer Acceptance.

⁹ In the event of the BMRS being down, where a claim for Manifest Error is made within office hours, the Transmission Company shall request that ELEXON send out a circular notifying participants of such claim. Where a Manifest Error claim is made outside of office hours, the Transmission Company will not be deemed to be in breach of 3.2.2.

3.3 Investigation and Adjudication of Manifest Error Claims

REF.	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.3.1	On the same Working Day of receipt of the Manifest Error Claim Form received in accordance with 3.1.3 or 3.2.1 ¹⁰ .	Validate the Manifest Error Claim Form to confirm that it was originally raised within 4 hours of the relevant Bid-Offer Acceptance Time	DS		Lead Party Manifest Error Claim Form (F14/01) or Transmission Company Manifest Error Claim Form (F14/02)	Internal process ¹¹
3.3.2	On the same WD as 3.3.1	Notify Receipt of Manifest Error Claim Form at the DS, issuing log number ¹² If a manifest Error Claim request information from the Raising Party in accordance with Section Q7.4.3(a)(i) of the BSC	DS	BSC (Lead) Party or the Transmission Company (whichever is the Raising Party)	Notification of Receipt of Manifest Error Claim Form by the DS (F14/03) In the event of a BOA number not being generated (e.g. when a BOA is issued via telephone during an outage), the Disputes Secretary should provide details of the relevant BOA as required under Notification of Manifest Error Claim Form (F14/03).	Email/fax
3.3.3	On the same WD as 3.3.1	Consider if there is a scheduled TDC meeting prior to the Initial Settlement Run (and in such time as to allow sufficient information to be collated for the TDC to consider the Manifest Error). If yes, include Manifest Error claim as agenda item. If no, notify TDC of a requirement to meet, or participate in a telephone meeting, in order to consider the Manifest Error claim	DS	TDC Chairman, TDC Secretary, TDC Members (via TDC Secretary)	TDC meeting dates Settlement Calendar	Verbal/email

¹⁰ This BSCP recognises that both the Transmission Company and the BSC (Lead) Party will operate on 24-hour timescales in accordance with Balancing Mechanism requirements but the DS will only operate on normal Working Day timescales. Therefore all actions on the DS begin from the first Working Day of receipt of a Manifest Error Claim Form.

¹¹ At this point the DS will seek confirmation from the Transmission Company and/or the BSC (Lead) Party that all other obligations under 3.1 and 3.2 above have been met. Any breach of these obligations will be flagged to the TDC when it considers the Manifest Error claim.

¹² Where either party has a disagreement regarding this determination then a Query shall be immediately raised to the DS in accordance with BSCP11.

REF.	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.3.4	Within 5 WD of 3.3.2	Provide the evidence and supporting information requested under 3.3.2	BSC (Lead) Party or Transmission Company	DS	Information required under Section Q7.4.3(a)(i) of the BSC	Email/fax
3.3.5	Within 1 WD of 3.3.4	Forward response provided by the Raising Party in 3.3.4 above to the Affected Party and Request information from the Transmission Company in accordance with Section Q7.5.2(a) of the BSC	DS	Affected Party Transmission Company	Information required under Section Q7.4.3(a)(i) of the BSC Information required under Section Q7.5.2(a) of the BSC	Email/fax
3.3.6	Within 3 WD of 3.3.5	In accordance with Section Q7.4.3(a)(ii) of the BSC, provide comments in response to the information submitted by the Raising Party under 3.3.4 above Provide information requested under 3.3.5 above in accordance with Section Q7.5.2(a) of the BSC	Affected Party Transmission Company	DS	Agreement/disagreement to the Manifest Error claim details submitted under 3.3.4 above Information required under Section Q7.5.2(a) of the BSC	Email/fax

REF.	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.3.7	At least 2 WD prior to the Initial Settlement Run	Reach consensus or a majority decision on whether (or not) the Manifest Error claim is valid Or If a Manifest Error claim is valid reach consensus or a majority decision on whether (or not) a Manifest Error occurred and if so, the replacement price(s) for the Error Bid/Offer Pair(s) ¹³ . Instruct TDC Secretary to raise the Manifest Error Finding Form Or Defer decision and instruct DS (via TDC Secretary) to seek further information under 3.3.2 or 3.3.5 above, and continue as from 3.3.2 or from 3.3.5 (calling emergency TDC meeting if required)	TDC	TDC Secretary DS (via TDC Secretary)	Determination of TDC Details of further information required	At TDC meeting
3.3.8	On the same WD as 3.3.7	Notify BSCCo Finance Department to invoice Raising Party for Manifest Error claim fee in accordance with BSC Section Q7.4.3 (g)	DS	BSCCo	Raising Party, Manifest Error Log Number, Settlement Date/Period, Amount (£)	Email
3.3.9	Within 1 WD of 3.3.8	Complete TDC Finding Form and request signature of TDC Chair	TDC Secretary	TDC Chair	TDC Manifest Error Finding Form (F14/04)	In person/fax

¹³ Section 4.14 of this procedure provides details of the methodology to be adopted by the TDC in determining replacement prices.

REF.	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.3.10	Within 1 WD of 3.3.8	Sign TDC Finding Form and return to TDC Secretary	TDC Chair	TDC Secretary	Signed TDC Manifest Error Finding Form (F14/04)	In person/fax/email
3.3.11	Within 1 WD of 3.3.8 where appropriate	Communicate TDC decision ¹⁴	TDC Secretary	DS, Transmission Company, BSC (Lead) Party and all BSC Parties	Signed TDC Manifest Error Finding Form (F14/04) to DS, Raising and Affected Party ELEXON Circular to all other BSC Parties	Email/fax
3.3.12	By 12:00 on the working day before the Initial Settlement Run	Instruct the SAA to amend the Offer Price and Bid Price of the Error Bid-Offer Pair(s), to equal the replacement prices as determined by TDC	DS	SAA	Signed Instruction to Resolve Manifest Error Form (F14/05)	Email/fax
3.3.13	Within 1 WD of 3.3.12	Provide confirmation that replacement prices have been/will be included in the appropriate Initial Settlement Run ¹⁵	SAA	DS	Confirmation that prices have been/will be included in the appropriate Initial Settlement Run, which is achieved by the SAA completing and returning the Instruction to Resolve Manifest Error form (F14/05).	Verbal agreement backed up with subsequent email

¹⁴ Outcome of TDC decision and replacement prices to be detailed on both the Finding Forms and the ELEXON Circular.

¹⁵ Where it is not possible to include the results of the TDC decision in the Initial Settlement Run, a reason and statement as to when the decision will be implemented must be provided to the DS.

3.4 Claims for Payment of an Error Compensation Amount

REF.	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.4.1	Within 5 WD of 3.3.11	If required submit claim for payment of error compensation amount ("compensation claim")	BSC (Lead) Party	DS	Authorised ¹⁶ Claim for Payment of Error Compensation Amount Form (F14/06) plus supporting documentation required in accordance with Section Q7.6.4 (and G2.2.1) of the BSC	Email/fax
3.4.2	Within 1 WD of 3.4.1.	Validate compensation claim for authorised signature and the timescales detailed in 3.4.1	DS		Claim for Payment of Error Compensation Amount Form (F14/06).	Internal process
3.4.3	Within 1 WD of 3.4.1	Acknowledge compensation claim ¹⁷	DS	BSC (Lead) Party	Acknowledgement of Manifest Error Compensation Claim Form (F14/07)	Email/fax
3.4.4	Within 1 WD of 3.4.1 if appropriate	Where the original Manifest Error claim was raised by the Transmission Company in accordance with 3.2.1, notify the Transmission Company that a compensation claim has been raised	DS	Transmission Company	Acknowledgement of Manifest Error Compensation Claim Form (F14/07)	Email/fax
3.4.5	For the next appropriate TDC meeting	Place compensation claim on meeting agenda	DS	TDC Secretary, TDC Chairman	Claiming Party, Manifest Error Log Number	Internal process
3.4.6	Next appropriate TDC meeting	Submit claim	DS	TDC	Details of compensation claim and supporting documentation submitted under 3.4.1. TDC Manifest Error Finding Form (F14/04)	In person

¹⁶ The Authorisations applicable to BSCP11 (i.e. those detailed under BSCP38) shall be used for the purposes of validating compensation claims.

¹⁷ The DS will take no further action where the DS finds that the compensation claim is invalid. Any disagreement over this determination shall be notified to the DS in writing.

REF.	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.4.7	TDC meeting	Consider claim ¹⁸ and determine: 1) The values in accordance with BSC Section Q7.6.3; 2) The Avoidable Costs in accordance with BSC Section G2.1.2; 3) Whether any adjustments or reconciliation should be made in relation to the associated Ad-Hoc Trading Charges in accordance with BSC Section G1.2.1(b).	TDC		TDC determination	At TDC meeting
3.4.8	Within 5 WD of 3.4.7	Communicate decision of TDC	TDC Chairman via the TDC Secretary	DS, BSC (Lead) Party, Transmission Company ¹⁹ , Trading Parties ²⁰	Signed TDC Finding Form for Compensation Claims arising out of Manifest Errors (F14/08)	Email/fax
3.4.9	Within 10 WD of 3.4.8	Calculate error compensation amount in accordance with BSC Section Q7.6.2 and notify BSC (Lead) Party ²¹	DS	BSC (Lead) Party	Error compensation amount	Email/fax
3.4.10	Within 5 WD of 3.4.9	Finalise Ad Hoc Trading Charge details with BSCCo, and complete Form F14/09	DS	BSCCo	Ad Hoc Trading Charge Payment Authorisation Form (F14/09)	Internal BSCCo process
3.4.11	Within 1 WD of 3.4.10	Obtain signature of TDC Chair to authorise payment of Ad Hoc Trading Charge	DS	TDC Chair	Ad Hoc Trading Charge Payment Authorisation Form (F14/09)	In person/fax
3.4.12	Within 1 WD of 3.4.11	Instruct FAA to action Ad-Hoc Trading Charge in accordance with BSC Section Q7.6.5	DS	FAA	Ad Hoc Trading Charge Payment Authorisation Form (F14/09)	Email/fax

¹⁸ The TDC may request additional information in accordance with Sections Q7.6.4(c) and G2.2.1(b) of the BSC.

¹⁹ The Transmission Company will only be notified where the Manifest Error was on the part of the Transmission Company.

²⁰ Trading Parties will only be notified where the Manifest Error was on the part of the BSC (Lead) Party.

²¹ Error compensation payments that amount to less than £500 will not be processed.

REF.	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.4.13	As required by the Payment Authorisation Form	Implement the instructions in the Payment Authorisation Form and issue notification to affected Parties and the DS	FAA	Affected Parties and DS	Advice note and Ad Hoc Trading Charge Payment Authorisation Form (F14/09)	Letter

4 Appendices

4.1 Lead Party Manifest Error Claim Form (F14/01)

Lead Party Manifest Error Claim Form

For completion by the Raising Party

To: TC Control Centre

Fax: _____ Email: _____

From: Company Name _____

Location _____

Fax: _____ Email: _____

Date of Claim: _____

Time of Claim: _____

Claim Details: * *Delete as appropriate*

Affected BM Unit	
BSC (Lead) Party of BMU	
Affected Settlement Day	
Affected Settlement Period	
Affected Bid-Offer Pair Number ²²	
Affected Bid/Offer* Price	
Relevant Bid-Offer Acceptance Time(s)	
Relevant Bid-Offer Acceptance Number(s)	

Additional Relevant Information: _____

Manifest Error Claim Made by (name): _____ Signature: _____

For completion by the Transmission Company

Received By (signature): _____

Date and Time of Receipt: _____

Valid: Y/N

Claims (where notice has been given in accordance with this BSCP and Section Q7.2 of the Code) should be notified to the DS, and where the claim is deemed valid a notice placed on the BMRS within 15 minutes of receipt.

DS Contact details: Fax _____ Email _____

For Completion by the DS

DS Log Number: _____

Date/Time received at DS: _____

²² A single Manifest Error claim must be made for each single Error Bid-Offer pair. If there is a need to raise Manifest Error claims for more than one Error Bid-Offer Pair, please use one form for each Error Bid-Offer Pair.

4.2 Transmission Company Manifest Error Claim Form (F14/02)

Transmission Company Manifest Error Claim Form*For completion by the Transmission Company*

To: Disputes Secretary

Fax: _____ Email: _____

Cc: Company Name of BSC (Lead) Party _____

Location _____

Fax: _____ Email: _____

From: TC Control Centre

Fax: _____ Email: _____

Date of Claim: _____

Time of Claim: _____

Claim Details: * *Delete as appropriate*Error Acceptance Volume Pairs:
(complete if BOA number unavailable)

Affected BM Unit		From MW	From Time	To MW	To Time
BSC (Lead) Party of BMU					
Affected Settlement Day					
Affected Settlement Period(s)					
Affected Bid-Offer Pair Number(s)					
Affected Bid/Offer* Price(s)					
Bid/Offer* Price 1					
Bid/Offer* Price 2					
Bid/Offer* Price 3					
Bid/Offer* Price 4					
Bid/Offer* Price 5					
Relevant Bid-Offer Acceptance Time					
Relevant Bid-Offer Acceptance Number ²³					

Additional Relevant Information: _____

Manifest Error Claim Made by (name): _____ Signature: _____

*For completion by the Receiving (Lead) Party**(To be returned to Transmission Company : DS, within 15 minutes of receipt.)*

Received By (signature): _____

Date and Time of Receipt: _____

For completion by the DS

DS Log Number: _____

Date/Time Claim initially received at DS: _____

Valid: Y/N

²³ A single Manifest Error claim may be made for one or more Error Bid-Offer Pairs in a single Bid-Offer Acceptance. If there is a need to raise Manifest Error claims for more than one Bid-Offer Acceptance, please use one form for each Bid-Offer Acceptance.

4.3 Notification of Receipt of Manifest Error Claim Form by the DS (F14/03)

Notification of Receipt of Manifest Error Claim Form by the DS*For completion by the DS*

To: 1) (name) _____

TC

Fax: _____ Email: _____

2) (name) _____

Lead Party Company Name _____

Fax: _____ Email: _____

From: Disputes Secretary

Date: _____

Claim Details: * Delete as appropriate

Error Acceptance Volume Pairs:
(complete if BOA number unavailable)

Affected BM Unit		From MW	From Time	To MW	To Time
BSC (Lead) Party of BMU					
Affected Settlement Day(s)					
Affected Settlement Period(s)					
Affected Bid-Offer Pair Number(s)					
Affected Bid/Offer* Price(s)					
Bid/Offer* Price 1					
Bid/Offer* Price 2					
Bid/Offer* Price 3					
Bid/Offer* Price 4					
Bid/Offer* Price 5					
Relevant Bid-Offer Acceptance Time					
Relevant Bid-Offer Acceptance Number					

The claim raised by (company) _____ on (date) _____ at (time) _____ has/has not* been raised within 4 hours of the Bid-Offer Acceptance Time and has therefore been determined to be Valid/Invalid* by the Disputes Secretary for raising a claim under the Balancing and Settlement Code (BSC). * DS to delete as appropriate

Your Manifest Error Log number is: _____

(To be quoted in all subsequent correspondence)

For valid claims the following information is now requested:

- Supporting information from the Raising Party in accordance with section 3.3.2 of this procedure
- Information from the Transmission Company in accordance with section 3.3.2 of this procedure

Deadline Date for reply: _____

If you require any further information on this Manifest Error claim please contact: _____

Telephone: _____ Fax: _____ Email: _____

DS Log Number: _____

Date Initial Settlement Run due to be completed: _____

4.4 TDC Manifest Error Finding Form (F14/04)**TDC Manifest Error Finding Form**

For completion by the TDC Secretary

To: Disputes Secretary

Copy To: _____
Raising and Affected Party

Email/fax: _____

From: Trading Disputes Committee

TDC Meeting Number: _____ Date: _____

Manifest Error Log Number(s) For Settlement Day and Time Period

The Trading Dispute Committee Findings are:

Signed: _____ Date: _____
Chairman, Trading Disputes Committee

4.5 Instruction to Resolve Manifest Error (F14/05)

Instruction to Resolve Manifest Error*For completion by the DS*

To: SAA

Copy To: _____

Email/fax: _____

From: Disputes Secretary

Date: _____

DS Log Number of Manifest Error: _____

In accordance with the Trading Disputes Committee ruling dated _____ please update the erroneously accepted Bid/Offer price(s) with the replacement Bid/Offer price(s) outlined in the table below:

Affected BM Unit ²⁴	Settlement Day	Settlement Period	Erroneous Bid/Offer Pair Number	Erroneous Bid/Offer* Volume (MWh)	Erroneous Bid/Offer* Price (£/MWh)	Replacement Bid Price (£/MWh)	Replacement Offer Price (£/MWh)

* Delete as applicable

Additional Instructions/Notes:

Signature of TDC Chair: _____

For completion by the SAA

I confirm that the above information has been included in the Initial Settlement Run for Settlement Date _____ and that this run was/is due to be executed on Calendar Date _____.

Signed: _____ Print Name: _____

Date: _____

²⁴ The Affected BM Unit column will contain the BM Unit Id and NOT the TC BM Unit Name/Id or any other identifier

²⁵ ~~Where it is not possible to include the results of the TDC decision in the Initial Settlement Run, a reason and statement as to when the decision will be implemented must be provided to the Disputes Secretary.~~

4.6 Claim for Payment of Error Compensation Amount (F14/06)**Claim for Payment of Error Compensation Amount**

For completion by the BSC (Lead) Party making claim

To: Disputes Secretary

Fax: _____ Email: _____

From: Name _____

Authorised Signature: _____

Company: _____

Location: _____

Telephone: _____ Fax: _____ Email: _____

Date Submitted: _____

Manifest Error Log Number: _____

To be quoted in all correspondence

BM Unit: _____

Settlement Date: _____ Period: _____

Claimed net quantity change (in MWh) in Export or Import: _____

This value shall be negative where it represents an increase in net Imports or a reduction in net Exports, and otherwise positive.

Supporting Information (or attach separately): _____

Avoidable Costs (in £): _____

Explanation / Supporting Information (or attach separately): _____

Error Compensation Amount: _____

For completion by the DS

DS Log Number: _____ Date received at DS: _____

Date of Meeting at which TDC heard Manifest Error Claim: _____ Valid: Y/N

4.7 Acknowledgement of Manifest Error Compensation Claim (F14/07)**Acknowledgement of Manifest Error Compensation Claim**

For completion by the DS

To: (name) _____

Lead Party Company Name _____

Fax: _____ Email: _____

Copy To: TC*

**Delete if not appropriate (only required where the original Manifest Error claim was raised by the Transmission Company using Form F14/02)*

Fax: _____ Email: _____

From: Disputes Secretary

Date: _____

Your compensation claim raised on (date) _____ relating to Manifest Error Log Number _____, BM Unit _____, Settlement Date _____ and Period _____ has/has not* been raised within the timescales defined within this BSCP and Section Q7.6.1 of the Code and has therefore been determined to be Valid/Invalid* by the Disputes Secretary.

** DS to delete as appropriate*

Manifest Error claim raised by (Company) _____

This is the raising party of the original Manifest Error claim via form F14/01 or F14/02

All valid claims are submitted to the TDC for determination and must be supported with the information detailed in the BSC Sections Q7.6.4 (and G2.2.1). Should you wish to make any further submissions, please provide to the DS by (date) _____.

If you require any further information on this compensation claim please contact: _____

Telephone: _____ Fax: _____ Email: _____

DS Log Number: _____

TDC meeting held on Manifest Error: Y/N
heard: _____

TDC Meeting Date at which compensation claim will be

4.8 TDC Finding Form for Compensation Claims arising out of Manifest Errors (F14/08)**TDC Finding Form for Compensation Claims arising out of Manifest Errors***For completion by TDC Secretary*

To: Disputes Secretary

Copy To: _____

Email/fax: _____

From: TDC

TDC Meeting Number: _____ Date: _____

Manifest Error Log Number(s)

For Settlement Day and Time Period

The TDC findings are:

Signed: _____ Date: _____
Chairman, Trading Disputes CommitteeSigned: _____ Date: _____
BSCCo Chief Executive

4.9 Ad Hoc Trading Charge Payment Authorisation Form (F14/09)**Ad Hoc Trading Charge Payment Authorisation Form***For completion by the TDC Secretary*

To: FAA

Email/fax: _____

Copy To: _____

From: TDC/BSCCo

BSC (Lead) Party making claim:

Date:

Manifest Error Log Number	Settlement Date	Value of Ad Hoc Trading Charge Payment (Net of Interest) £

Reason for Ad Hoc Trading Charge: _____

Proposed Date for Recovery (in accordance with BSC Section N 6.9.1 (b)): _____

Method of Recovery: From _____

Method of Recompense: To _____
Interest as per ²⁶

RECOMMENDED BY:

APPROVED BY:

Signed: _____ Signed: _____
(TDC Chairman) (BSCCo Chief Executive)

Date: _____ Date: _____

²⁶ Interest will be applied to the sums above at BSCCo Bankers Base Rate for the period from the original payment date for settlement to the final date when settlement of such payment is made.

4.10 Format of BMRS Lead Party Manifest Error Claim Notification

The following states the form of the text that the Transmission Company should enter as a free-text message into the BMRS System:

“A Manifest Error claim has been raised by [*insert Lead party name*] in relation to an accepted [*Bid/Offer**] for BM Unit [*insert BM Unit ID*] for Settlement Period(s) [*insert affected Settlement Period(s)*] on [*insert affected Settlement Day*]. The affected [*Bid/Offer**] price is [*insert relevant price*].”

*State which applies

4.11 Format of BMRS Transmission Company Manifest Error Claim Notification

The following states the form of the text that the Transmission Company should enter as a free-text message into the BMRS System:

“A Manifest Error claim has been raised by the TC in relation to an accepted [*Bid/Offer**] for BM Unit [*insert BM Unit ID*] for Settlement Period(s) [*insert affected Settlement Period(s)*] on [*insert affected Settlement Day*]. The affected [*Bid/Offer**] price is [*insert relevant price*].”

*State which applies

4.12 Manifest Error Claim Fee

A fee of £5,000 (or the value determined by the Panel under Section Q7.2.3 of the BSC) shall be payable to BSCCo for all valid Manifest Error claims received by the DS. This fee, which shall not be reimbursed in any circumstances, shall be invoiced by BSCCo in accordance with Section Q7.4.3(g).

4.13 Withdrawing a Manifest Error Claim or Claim for Payment of Error Compensation Amount

Withdrawal/closure requests will only be accepted by the DS where these are made in writing by an Authorised Signatory²⁷ and the request is received prior to the claim being submitted to the TDC for consideration. Withdrawal requests do not impact on the fee payable under 4.12 above.

All withdrawal/closure requests for Manifest Error claims submitted to the DS will be reported to the TDC at its next scheduled meeting. The TDC may still wish to consider the Manifest Error claim.

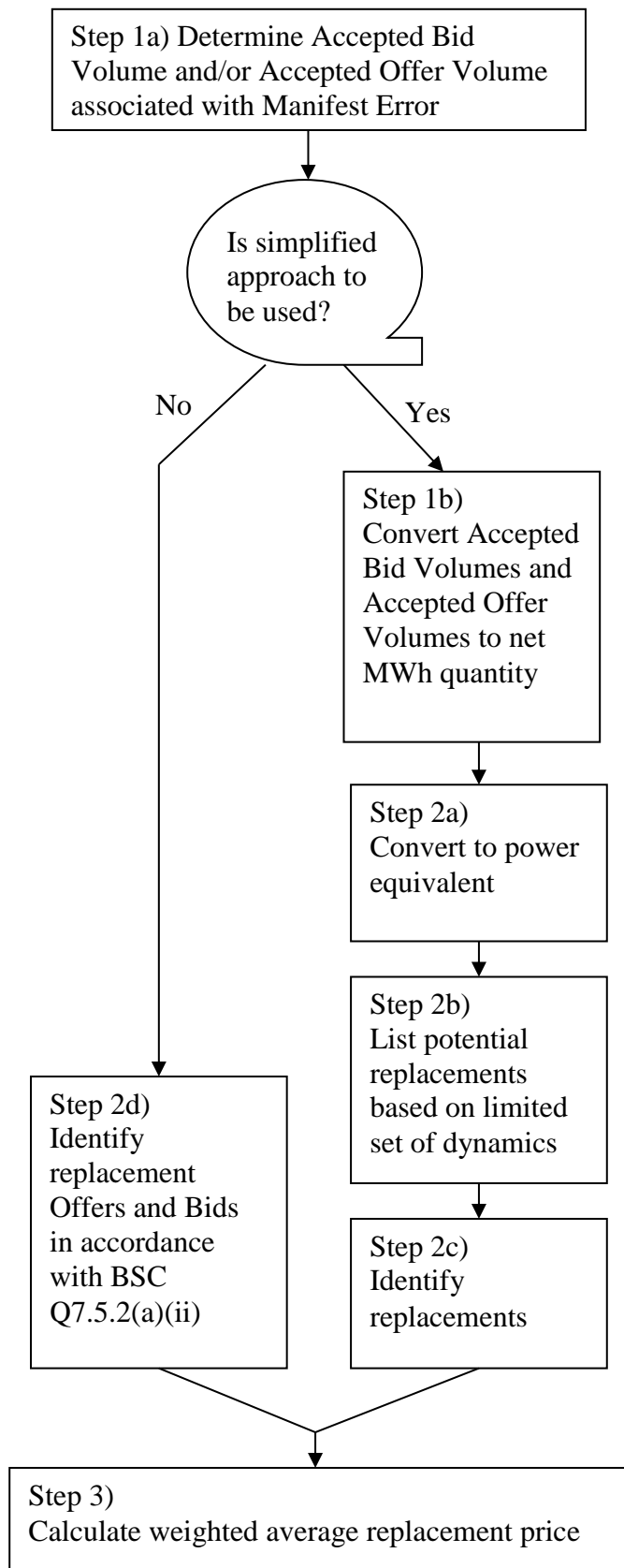
²⁷ In accordance with the Authorisations applicable to BSCP11 (i.e. as detailed under BSCP38).

4.14 Determining Replacement Prices for Utilisation in the Correction of Manifest Errors

In determining the replacement prices to be used in the processing of a Manifest Error, a number of steps need to be followed:

- Step 1: Identify the acceptance quantities for which replacement Offers and/or Bids need to be determined.
- Step 2: Identify the replacement Offers and Bids to use.
- Step 3: Determine the weighted average replacement price.

The approach to be followed differs depending upon the circumstances of the Manifest Error. If, for example, the Acceptance associated with the Manifest Error was necessarily issued to a BM Unit with particular dynamic characteristics (for example because energy was needed in short timescales to control system frequency) then the detailed dynamics of possible replacement Offers and Bids should be given more consideration in the identification of possible replacement Offers and Bids. In other cases, a more approximate simplified approach should be adopted which it is intended will reduce the administrative burden of processing the Manifest Error. The flow diagram overleaf identifies the main steps involved.



Step 1: Identifying Acceptance Quantities for Replacement

Under the BSC, a particular Acceptance may result in the acceptance of one or more Bids and/or Offers. Furthermore, depending upon the nature of any Manifest Error, one or more of the Bids and/or Offers accepted as a result of an Acceptance relating to the Manifest Error may form part of an Error Bid/Offer Pair.

Step 1a – Identification of Accepted Bid Volume and/or Accepted Offer Volume

In order to determine the appropriate replacement price for a particular Error Bid/Offer Pair, the quantity of accepted Offers and/or Bids that need to be “replaced” should first be determined. This quantity is initially determined as a power profile of the relevant Accepted Offer Volume and/or Accepted Bid Volume associated with each Error Bid/Offer Pair.

For more straightforward²⁸ Manifest Errors, the erroneous Accepted Offer Volume and/or Accepted Bid Volume associated with the Error Bid/Offer Pair may be determined simply as being equal to the Accepted Bid Volume and/or Accepted Offer Volume for each Error Bid/Offer Pair associated with the relevant Acceptance. There are, however, a number of more complex situations that may arise in which the determination of these quantities is less straightforward. The more complex scenarios considered in this procedure are as follows:

- 1) Two Acceptances, each resulting in the acceptance of a particular Bid-Offer Pair. One Acceptance being entirely erroneous, the other entirely correct;
- 2) Two Acceptances each resulting in the acceptance of a particular Bid-Offer Pair, both Acceptances being erroneous;
- 3) A single Acceptance accepting both one Bid-Offer Pair correctly and a different Bid-Offer Pair in the same Settlement Period erroneously;
- 4) A single Acceptance accepting the same part (i.e. Offer part or Bid Part) of a single Bid-Offer Pair, partly correctly and partly erroneously.
- 5) A single Acceptance accepting part of the Offer of a Bid-Offer Pair correctly, and part of the Bid incorrectly.

The approach to be adopted in each of these cases is discussed in turn below:

- 1) In the first case, Section Q7.5.2(a)(ii) of the BSC implies that the “correct” acceptance should be disregarded for the purposes of the determination of the replacement quantities. This is because Q7.5.2(a)(ii) refers effectively only to the identification of other Bid/Offer Pairs which would have been accepted by the Transmission Company if it had not accepted (by the relevant Acceptance). Hence, for example, if Acceptance k erroneously accepts 5 units of Bid-Offer Pair n, and Acceptance m correctly accepts 6 units of Bid-Offer Pair n, the quantity of replacement Offers or Bids is 5 units.
- 2) In the case where two Manifest Errors affect a single Bid-Offer Pair, the application of the rules in the BSC would appear to be ambiguous. It is not clear whether based on a strict reading of the BSC, the replacement price to be used should be based on the first or second Manifest Error.

²⁸ i.e. where only a single acceptance affects the Error Bid/Offer Pair and all associated accepted quantities are erroneous.

- 3) In case 3, those quantities of other Bid-Offer Pairs correctly accepted by an Acceptance, which has also erroneously accepted part of a different Bid-Offer Pair, may be disregarded for the purposes of processing the Manifest Error claim. Q7.5.2(a)(ii) includes the words: "...if it had not accepted (by the relevant Acceptance) the Error Bid/Offer Pair". This only requires consideration of the acceptance insofar as it relates to of the Error Bid Offer Pair(s), and not to other Bid-Offer Pairs.
- 4) In case 4, it is assumed that a single Acceptance has both correctly accepted part of a particular Offer (or Bid) and erroneously accepted part of the same Offer (or Bid). For example this may arise if the System Operator wished to accept an Offer for 10 minutes, but in practice did so for 20. In this case, because the entire Bid-Offer Pair is an Error Bid-Offer Pair, then again from Q7.5.2(a)(ii), it would be appropriate to determine a replacement price taking into account the entire quantity of accepted Offer (or Bid) from that Bid-Offer Pair (i.e. including that part of the Offer (or Bid) that was correctly accepted).
- 5) In case 5, it is assumed that a single Acceptance results in the erroneous Acceptance of an Offer from a particular Bid-Offer Pair, and partly in the correct Acceptance of a Bid from the same Bid-Offer Pair. Given that both the Bid and the Offer form part of the Bid-Offer Pair, this case is very similar to case 4 and based upon the an interpretation of the existing BSC rules, the correctly accepted Bid (or Offer) quantity would be taken into account in determining the replacement price.

Whilst some consideration has been given to ensuring the above list covers the set of possible scenarios, it is possible that there may be other scenarios that may arise that have not been identified. To the extent that this is the case, then it would be necessary to determine the replacement quantities based upon consideration of the detailed circumstances of each particular case.

Step 1b – Conversion of Accepted Bid Volume and/or Accepted Offer Volume into MWh replacement quantity

The approach used in determining the replacement price should, by default, **but not in all cases**, adopt a simplified approach in order to assist in the determination of the alternative Bids and Offers that were "available" to the TC. Under the simplified approach the Accepted Bid Volumes and Accepted Offer Volumes associated with a particular Error Bid/Offer Pair would be integrated over the Settlement Period in order to determine a single MWh new error quantity.

This simplified approach should not be adopted where spot MW values that adequately represent the system requirements at the time of the erroneous Bid-Offer Acceptance could not have been met by the BM Unit(s) indicated by the simplified approach.

Step 2: Identifying Replacement Bids and Offers

In determining the replacement Offer and Bids available to the Transmission Company, the following process should be followed:

If Step 1b) above has been followed then:

Step 2a) - convert the MWh quantity of energy determined under Step 1b) to a power equivalent (by dividing by ½ an hour).

Step 2b) - based on a subset of dynamic and other data (specifically, only MIL, MEL, run-up and run-down rates, Notice to Deviate from Zero, Notice to Deliver Offers/Bids and FPN - taking into account other acceptances), identify the quantity of power that could have been delivered by other Offers (or, if the power value is negative, then Bids) at the end of each relevant Settlement Period, assuming that the acceptance was issued at the Bid-Offer Acceptance time of the Acceptance associated with the Manifest Error. This delivers a list of alternative Offers or Bids from other BM Units, and the quantity of replacement MW available at the end of each relevant Settlement Period.

Step 2c) - identify which of the replacement Offers or Bids would have been chosen in accordance with Q7.5.2(a)(ii). In following this step, it is proposed that unless the Panel (in consultation with the TC) reasonably believes that (i) some or all of those Offer or Bids would not have been chosen, (ii) certain quantities of other Offer or Bids would have been chosen, or (iii) the aggregate quantity of the replacement Offers or Bids determined at the end of the Settlement Period does not reasonably reflect the quantity required to be determined, then Bids and Offers would be selected from those determined to be available in price merit order. This means that for Offers, the cheapest would be selected such that the aggregate MW quantity of Offers is equal to the MW quantity of the Manifest Error identified in Step 2a. In the case of Bids, the most expensive Bids are identified. If any of the criteria (i-iii) are met, then the Panel (in consultation with the TC) will determine the quantities of those Offers and Bids that are available, and/or the replacement quantity to be selected.

If Step 1b) above has not been followed then:

Step 2d) - Identify which of the replacement Offers or Bids would have been chosen in accordance with Q7.5.2(a)(ii).

It is recognised that this is a subjective process that will require detailed consideration of the exact nature of the particular Manifest Error in question. It is noted that it may not always be appropriate to identify replacement MW to match the entire power profile identified in Step 1a), and indeed in some cases the exact power profile may be exceeded.

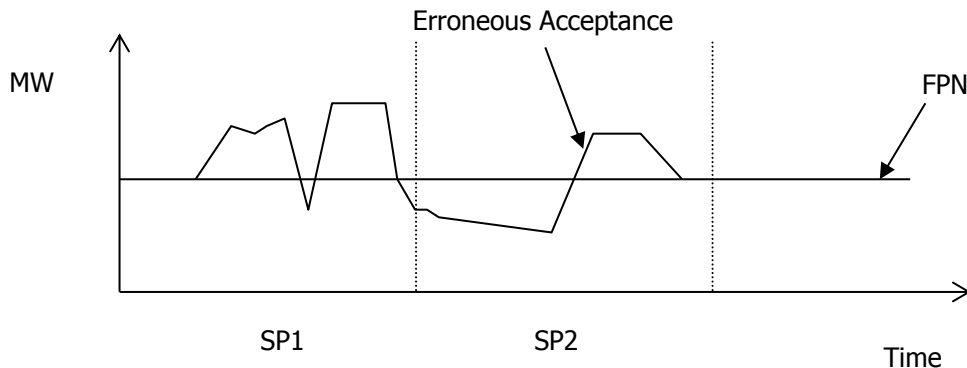
It is not considered practicable to further document the selection process at this stage. Instead, it is envisaged that a “case law” approach to selection of replacement prices in such circumstances should be permitted to emerge.

Step 3: Determining Replacement Prices

Determine the replacement price based upon the MW (or MWh) weighted average of the replacement Offers or Bids available identified.

Simplified Example

The following example is included to further explain the approach proposed if Step 1b) is taken. The following diagram shows the power profile of a Manifest Error relative to FPN over two Settlement Periods.



The erroneous acceptance results in the acceptance of both Bids and Offers in each Settlement Period. There is a net overall quantity of accepted Offers in SP1 and of Bids in SP2. For the purposes of this example, these are assumed to be +10MWh and –5MWh respectively.

These net energy quantities are converted to a power value equivalent of +20MW and –10MW for Settlement Periods SP1 and SP2 respectively.

For SP1, a list of potentially available Offers is constructed, identifying the quantity of additional power (arising from a reduction in demand or increase in generation) that BM Units participating in the balancing mechanism could deliver. In constructing this list a subset of dynamic and other data is used (as described above). For the purposes of this example, the following replacement Offers are assumed to be available:

BM Unit	Power Level	Price £/MWh
BMU1	8MW	5MW @ £20/MWh, 3MW @ £50/MWh
BMU2	50MW	£25/MWh
BMU3	10MW	£30/MWh

etc.

The TC further identifies that BMU2 was not available because it was operating behind an export constraint. Hence, the replacement Offers selected are as follows:

5MW from BMU1 @ £20/MWh

5MW from BMU3 @ £30/MWh.

Hence, the MW weighted average replacement price is £25/MWh.

A similar exercise is conducted by selecting replacement Bids in SP2.