

SECTION I: ~~NOT USED~~ TRANSITIONAL ARRANGEMENTS FOR IMPLEMENTATION OF BETTA

Introduction

This Section I sets out or refers to certain paragraphs of the Code or Transitional Code Subsidiary Documents which shall apply in place of or shall amend or otherwise change existing Code paragraphs during the Transition Period and, in some cases immediately following the BETTA Effective Date, in relation to particular Parties and/or in relation to particular Metering Systems and/or Scottish Volume Allocation Units as a result of the extension of the application of the Code to Scotland.

1. DISAPPLICATION OF SECTION F

1.1 Section F not to apply to certain sections

1.1.1 Except as provided in this Section the provisions of Section F as they relate to modification of the Code shall be suspended in relation to any paragraph of this Section I (including its Annexes) or Section Q5.5.1(d) for the duration of the Transition Period.

2. CREATION AND MODIFICATION OF TRANSITIONAL CODE SUBSIDIARY DOCUMENTS

2.1 Procedures

2.1.1 Notwithstanding any provision in Section F, the Panel shall be entitled to decide that a consultation carried out by BSCCo prior to BETTA Go Active in relation to a Transitional Code Subsidiary Document or any amendment to any other Code Subsidiary Document appropriate for the implementation of BETTA is appropriate, in the light of the complexity, importance and urgency of the proposed change in accordance with Section F3.2.1.

2.1.2 Where the Panel has made a decision in accordance with paragraph 2.1.1 that a consultation carried out by BSCCo prior to BETTA Go Active in relation to a Transitional Code Subsidiary Document or any amendment to any other Code Subsidiary Document appropriate for the implementation of BETTA is appropriate then that consultation shall be deemed to be a consultation by the Panel in accordance with Section F3.2.1.

2.1.3 In relation to a Transitional Code Subsidiary Document or any amendment to any other Code Subsidiary Document appropriate for the implementation of BETTA, the Panel shall be entitled to decide that the copying by BSCCo of any proposed draft changes to each Party and otherwise publishing it prior to or during a consultation undertaken by BSCCo prior to BETTA Go Active shall be sufficient publication in accordance with Section F3.2.2.

2.1.4 Each Party, each Panel member, BSCCo and the Panel Secretary shall take all reasonable steps to ensure that any Transitional Code Subsidiary Document or any amendment to any Code Subsidiary Document appropriate for the implementation of

BETTA is considered, evaluated and implemented as soon as reasonably practicable having regard to the timing of the implementation of BETTA and, for the avoidance of doubt, a Transitional Code Subsidiary Document may be created or an amendment to any Code Subsidiary Document appropriate for the implementation of BETTA may be made on the day on which the proposed Transitional Code Subsidiary Document or proposed amendment is proposed to the Panel.

2.1.5 Transitional Code Subsidiary Documents shall be Code Subsidiary Documents.

2.2 Non-Application of Sections F3.1.5 and F3.2.3

2.2.1 Sections F3.1.5 and F3.2.3 shall not apply to the creation of the Transitional Code Subsidiary Documents appropriate for the implementation of BETTA.

2.3 Voluntary Compliance with Transitional Code Subsidiary Documents

2.3.1 Where a Party is voluntarily complying with a proposed Transitional Code Subsidiary Document then, in the event that the Panel has not created a Transitional Code Subsidiary Document in the same or substantially the same form as the proposed Transitional Code Subsidiary Document (a "similar Transitional Code Subsidiary Document"), the Party shall be entitled to continue to comply voluntarily with the proposed Transitional Code Subsidiary Document until such date as the Panel creates a similar Transitional Code Subsidiary Document and shall not be required to comply with any Code Subsidiary Document which exists in relation to the same or essentially the same matters.

2.4 Substitution of BSCP with Transitional Code Subsidiary Document where approved by Panel

2.4.1 In the event that the Panel creates or makes a Transitional Code Subsidiary Document (or creates or makes a modification appropriate for the implementation of BETTA to a Code Subsidiary Document), such Transitional Code Subsidiary Document (or modification) shall, until the BETTA Effective Date or such other date approved by the Panel, apply in place of the relevant existing Code Subsidiary Document to the extent that the Panel so approves when creating or making the Transitional Code Subsidiary Document (or modification).

3. COMPLIANCE WITH TRANSITIONAL CODE SUBSIDIARY DOCUMENTS

3.1 Deeming of Action taken prior to BETTA Go Active to be Compliance

3.1.1 Where:

- (a) a Party is required to take a step or steps or provide certain information or documents ("a step") under this Section I or any other provision of the Code; and
- (b) such Party prior to BETTA Go Active has already taken such step in accordance with a voluntary process agreed with or proposed by BSCCo and such step, if it had been taken at or following BETTA Go Active, would comply with the requirements of this Section I or any other provision of the Code;

such step shall be deemed to be valid and effective for the purposes of the Code and to have been taken on BETTA Go Active.

3.1.2 Where:

(a) a Party is required to take a step pursuant to any Transitional Code Subsidiary Document; and

(b) such Party prior to the creation of the Transitional Code Subsidiary Document, has already taken such step and, if the step had been taken subsequent to the creation of the Transitional Code Subsidiary Document it would comply with the requirements of the relevant Transitional Code Subsidiary Document;

such step shall be deemed to be valid and effective for the purposes of the Transitional Code Subsidiary Document at the date on which such Transitional Code Subsidiary Document is created by the Panel.

3.1.3 Paragraph 3.1.2 shall also apply *mutatis mutandis* where a Party is required to take a step pursuant to any amendment to a Code Subsidiary Document appropriate for the implementation of BETTA.

4. THE PANEL

4.1 Panel Elections

4.1.1 Notwithstanding any provision in Section B, the persons whose names are notified to the Transmission Company in writing by the Authority on or prior to the BETTA Effective Date shall be deemed to be the Panel Members elected by the Trading Parties pursuant to Section B2.2.1 and Annex B-2.

4.1.2 Upon receipt of the notice referred to in paragraph 4.1.1 the Transmission Company shall immediately notify the Panel Secretary of the names of the Panel Members set out in the notice.

4.1.3 Where a notification pursuant to paragraph 4.1.2 is made:

(a) on or prior to BETTA Go Active, the notification shall be effective on BETTA Go Active; and

(b) after BETTA Go Active but prior to the BETTA Effective Date, the notification shall be effective from midnight on the date that the notification is received by BSCCo.

4.1.4 Notwithstanding Section B2.7.3, when a notification is made pursuant to paragraph 4.1.1 the term of office of all Panel Members elected pursuant to Section B2.2.1 and Annex B-2 prior to the date of the notification shall:

(a) if the notification is received by BSCCo on or prior to BETTA Go Active, expire at midnight on the day immediately prior to BETTA Go Active; or

- (b) if the notification is received by BSCCo subsequent to BETTA Go Active but prior to the BETTA Effective Date, expire at midnight on the date the notification is received by BSCCo.

4.2 Panel Objectives during Transition Period

4.2.1 During the Transition Period the following paragraph shall replace Section B 1.2.1 (b):

that the Code is given effect in such manner as will facilitate achievement of the objectives (so far as applicable to the manner in which the Code is given effect) as set out in Condition C 3(3)(a) to (e) of the Transmission Licence.

4.2.2 For the avoidance of doubt paragraph 4.2.1 shall not be restricted or in any way fettered by reason of the fact that the definition of Total System is restricted, during Transition Period, to relate only to England and Wales.

5. CALCULATION OF BLACK START REALLOCATION PROPORTION

5.1 Replacement of Section G3.3.7 commencing on BETTA Effective Date

5.1.1 The following paragraph shall replace Section G3.3.7 for the first seven days commencing on the BETTA Effective Date:

For the purposes of the Code, in relation to any Trading Party, the Black Start Reallocation Proportion, for the first seven days commencing on the BETTA Effective Date, shall be the proportion determined as:

$$\frac{\sum_d \sum_a \sum_j QCE_{taj}}{\sum_d \sum_p \sum_j QCE_{taj}}$$

where

\sum_i represents, for each Energy Account a, in Settlement Period j, the sum over all BM Units that are in offtaking Trading Units

\sum_a represents the sum over all Energy Accounts a, for Party p

\sum_p represents the sum over all Trading Parties p

\sum_d represents the sum over all Settlement Periods in the seven Settlement Days immediately preceding the Settlement Day on which the Black Start Period commenced

provided that, in relation to BM Units located in Scotland, where such seven day period includes any day before the BETTA Effective Date, there shall (in the above formula) be used, in relation to Settlement Periods in any such day, such quantities as the Panel shall determine to be appropriate.

6. REGISTRATION OF METERING SYSTEMS

6.1 Reference to BDTP 15 and BDTP 20

6.1.1 For those Parties who prior to the BETTA Effective Date effect registrations in accordance with Section K in relation to Metering Systems which are located within

Scotland where reference is made in Sections K3.2.4, K3.2.5, K3.3.3, K 3.3.4, K3.3.9 and K3.3.10 to BSCP 15 this shall be deemed to be a reference to BDTP 15.

6.2 Registration Requirements

6.2.1 During the Transition Period and solely in relation to those Parties who are responsible for CVA Metering Systems located in Scotland and who, as a result, must apply in accordance with BDTP 20, the words in Section K 2.2.1(d) shall be deemed to be replaced by the words: "the date with effect from which the applicant wishes the registration to be effective which shall not be earlier than the date set out in BDTP 20, that is, the BETTA Effective Date".

6.2.2 Where reference is made in Sections K1.3.3, K2.2.2, K2.2.3 and K2.2.5 and K2.2.6 to BSCP 20 this shall, during the Transition Period, in relation to the registration of a Metering System in CMRS which is located in Scotland be deemed to be a reference to BDTP 20.

6.3 Configuration of BM Units

6.3.1 BSCCo shall keep a copy of all determinations of BM Units made in Table A in Annex I-2 and shall make such determinations available to any Party on request.

6.4 Configuration of Trading Units

6.4.1 The determinations set out in Table B in Annex I-2 shall each be deemed to be a determination by the Panel for the purposes of Sections K4.3.1 and K4.5.1. BSCCo shall promptly notify the Trading Unit Applicants and the CRA of the determinations of Trading Units made in Table B in Annex I-2 at or as soon as reasonably possible following BETTA Go Active. BSCCo shall keep a copy of such determinations of Trading Units and shall make them available to any Party on request. Any notification by BSCCo pursuant to this paragraph shall be deemed to be a notification by the Panel for the purposes of Section K4.3.2.

6.5 Metering Dispensations

6.5.1 BSCCo shall maintain an up-to-date record of the Metering Dispensations in Table C in Annex I-2 and shall provide to the TAA a copy of such record and (promptly following making any such amendment) a copy of each amendment made to such record. Such metering dispensation shall be deemed to be a Metering Dispensation effective at the BETTA Effective Date made in accordance with the provisions of paragraph L3.4.

6.6 Registrant Responsibilities

6.6.1 During the Transition Period, in relation to any CVA Metering System located in Scotland, the reference in Section L2.3.1 to BSCP 02 shall be deemed to be a reference to BDTP 02.

6.7 Sealing and Security

6.7.1 Every Metering System registered in accordance with BDTP 20 which has been sealed by a SAS Meter Operator which seal is in force on the day before the BETTA

Effective Date shall be deemed to have satisfied the requirements of BSCP 06 in relation to sealing.

7. REPLACEMENT OF REFERENCE TO BSCPS 20 AND 75 WITH REFERENCE TO BDTPS 20 AND 75

7.1 Certain BDTPs to replace BSCPs

7.1.1 During the Transition Period, in relation to the preparation of Aggregation Rules applying to Scottish Volume Allocation Units, every reference in Section R to BSCP 75 shall be deemed to be a reference to BDTP 75.

7.1.2 During the Transition Period, in relation to CVA Metering Systems located in Scotland, every reference in Section R and Annex X-1 to BSCP 20 shall be deemed to be a reference to BDTP 20.

8. COMPLIANCE WITH BDTPS 70 AND 25, AND ENTRY PROCESSES, ACCREDITATION AND CERTIFICATION DOCUMENT

8.1 Compliance with BDTPs 70 and 25

8.1.1 During the Transition Period parties who have or will become Parties and/or Party Agents as a result of the extension of the application of the Code to Scotland shall comply with BDTP 70 and BDTP 25 as applicable.

8.2 BSCCo to develop Entry Processes, Accreditation and Certification Document

8.2.1 BSCCO shall develop, consult upon and submit in accordance with this Section I an Entry Processes, Accreditation and Certification Document for creation as a Transitional Code Subsidiary Document by the Panel.

9. METERING ACCESS AND TESTING

9.1 Access to Metering System

9.1.1 In relation to any Metering Systems located in Scotland the onus shall be on the Parties to:

- (a) provide access to such Metering Systems to BSCCo and/or the BSC Agent(s);
- (b) provide access to and enable the use of all communication lines (including PSTN, Paknet, Mobile and privately owned networks) to BSCCo and/or the BSC Agent(s) that are required;
- (c) provide access to or, as required by BSCCo and/or the BSC Agent(s), provide copies of and enable the use of all metered data; and
- (d) take any other action or provide any other resources, data or access reasonably required by BSCCo and/the BSC Agent(s);

for the purpose of Proving Tests, validation and market trialling activities in such time as set out in the Testing Document.

9.2 Compliance with resting document

9.2.1 The onus shall be on the Party or party who has made an application to become a Party, as the case may be, and who is responsible for Scottish Volume Allocation Units to take any steps and provide any data required by the Testing Document in such time so that BSCCo is in a position to carry out any testing required to satisfy itself that the BSC Systems will operate effectively at and from 0000 hours on the BETTA Effective Date.

10. METERING SYSTEMS WHERE METER ADVANCE CALCULATED UNDER SAS NOT NEW METERING SYSTEMS FOR SECTION S-2 4.3.11

10.1 Section S-2 4.3.11 not to apply

10.1.1 Section S-2 4.3.11 shall not apply to Metering Systems where a meter advance has previously been calculated according to the SAS.

11. EXEMPTION FROM SPECIFIED BSC CHARGES FOR CERTAIN PARTIES

11.1 Charges not applicable to certain parties at BETTA Effective Date

11.1.1 A Party who is a party to SAS at BETTA Go Active and becomes a Party at Go Active shall not be liable for the following charges in the period prior to the BETTA Effective Date:

- (a) a Base Monthly charge as described in Annex D-3 3.1(a);
- (b) a Dataline Monthly charge as described in Annex D-3 3.1(d); and
- (c) a TIBCO Software Support charge, as described in Annex D-3 3.1(e).

11.1.2 A Party who is a party to SAS at BETTA Go Active and becomes a Party at Go Active shall not be liable for the Application Fee as described in Section A2.2.1(c).

12. FURTHER DEVELOPMENT OF REQUIREMENTS FOR TRANSITION

12.1 Introduction

12.1.1 This paragraph 12 sets out the procedures for modification of the Code in order to facilitate the exercise by the Authority of the powers set out in Condition C3(6) of the Transmission Licence. Section F shall not apply to a Proposed Transitional Modification or Approved Transitional Modification referred to in this paragraph 12.

12.2 Development of Proposed Transitional Modification

12.2.1 BSCCo shall, during the Transition Period, take such steps in relation to the identification, development and proposal of changes to the Code as are necessary or appropriate for the purpose of ensuring the effective transition from the arrangements subsisting pursuant to the Code prior to BETTA Go Active to those subsisting under the Code at the BETTA Effective Date in relation to the matters set out in Annex I-1 (the "Matters") and in relation to any further matters if so instructed by the Authority. Without limiting the generality of the foregoing, such steps may include:

- (a) the identification, impact assessment, analysis, development and drafting of proposed modifications to the Code (a "Proposed Transitional Modification");
- (b) obtaining or undertaking any necessary or appropriate information, advice in relation to such Proposed Transitional Modifications;
- (c) consultation in accordance with the instructions of the Authority in relation to such Proposed Transitional Modifications;
- (d) the submission of a report in a form specified by the Authority;
- (e) any further development, drafting (including drafting of any proposed text of any Proposed Transitional Modification), consulting and reporting requested by the Authority.

12.2.2 For the avoidance of doubt, where the Authority has carried or carries out its own consultation in relation to Applications (as defined in Annex I-1), it shall not be necessary for BSCCo to take any of the steps set out in paragraph 12.2.1.

12.3 Modification Notice

12.3.1 Upon service by the Transmission Company to the Modification Secretary of a notice of Approved Transitional Modification signed by the Transmission Company in accordance with a direction of the Authority issued pursuant to the Transmission Licence:

- (a) the Code shall be modified in accordance with the terms of such notice; and
- (b) the Modification Secretary shall forthwith copy such notice to:
 - (i) each Party;
 - (ii) each Panel Member;
 - (iii) the Authority;
 - (iv) each BSC Agent; and
 - (v) each Core Industry Document Owner and the STC Committee.

12.4 Implementation

12.4.1 An Approved Transitional Modification of the Code shall take effect from the time and date specified in the notice referred to in paragraph 12.3.1 or, in the absence of any such time and date, from 00:00 hours on the day next following the date of service of such notice to the Modification Secretary (without prejudice to the Transitional Modification Implementation Date, if different).

12.4.2 The Transitional Modification Implementation Date may be extended or brought forward with the prior approval of, or at the direction of, the Authority.

12.4.3 BSCCo shall take appropriate steps to secure such amendments to the BSC Agent Contracts as may be necessary to give full and timely effect to an Approved Transitional Modification by the Transitional Modification Implementation Date.

12.4.4 BSCCo shall take appropriate steps to procure changes to BSC Systems and processes in order to give full and timely effect to an Approved Transitional Modification by the Transitional Modification Implementation Date.

12.4.5 BSCCo shall prepare a project brief for the implementation of the Approved Transitional Modification setting out the proposed steps, timetable and programme plan for such implementation consistent with the proposed Transitional Modification Implementation Date in accordance with the Code and the IS Policies. For the avoidance of doubt, a project brief may be in any form and size appropriate for BSCCo to be able to implement the Approved Transitional Modification at the Transitional Modification Implementation Date.

12.4.6 BSCCo shall promptly provide a report to the Authority where:

- (a) it appears, in BSCCo's reasonable opinion, that problems may arise, or have arisen, in the implementation of an Approved Transitional Modification in accordance with the project brief prepared pursuant to paragraph 12.4.5; and/or
- (b) BSCCo has reason to believe that the changes necessary to BSC Systems and processes will not have been completed by the Transitional Modification Implementation Date; and/or
- (c) BSCCo becomes aware of any circumstances which might otherwise prevent or delay the full and timely implementation of the Approved Transitional Modification.

12.5 Confidentiality

12.5.1 Any representations submitted by a person pursuant to this paragraph 12 shall be made publicly available save as otherwise expressly requested by such person by notice in writing to BSCCo.

12.5.2 The Panel and BSCCo shall not be liable for any accidental publication of a representation which is the subject of a request made under paragraph 12.5.1.

12.5.3 For the avoidance of doubt, all representations (whether or not marked confidential) shall be sent to the Authority.

12.5.4 Where any provision of this paragraph 12.5 provides for data, information or reports to be published or made available to Parties and/or other persons, the Panel shall exclude therefrom any matters in respect of which the Authority issues a notice to the Modification Secretary that such matter shall be kept confidential.

12.6 BETTA Support Costs

12.6.1 Amounts expended or incurred in relation to work carried out in under this paragraph 12 shall be BETTA Support Costs as described in Annex D-5 3.1.1.

ANNEX I-1: ADDITIONAL PROCEDURES FOR TRANSITIONAL ARRANGEMENTS

1. GENERAL

1.1 Introduction

1.1.1 This Annex I-1 forms part of Section I.

1.1.2 This Annex I-1 sets out those Matters referred to in Section I 12.

2. MATTERS RELATING TO TRANSITION

2.1 Final Transition to BETTA

2.1.1 It is anticipated that it will be appropriate for arrangements to be put in place for final transition to BETTA in the period up to and following (for a temporary period) the BETTA Effective Date, for the purposes of:

- (a) further testing of the Registrant and Lead Party data systems and processes involved in the operation of the Code following the BETTA Effective Date;
- (b) managing the transition from operations under the Code as in force before BETTA Go Active to operations under the Code and the Grid Code as in force on and after that date;
- (c) managing the transition from operations under SAS as in force before BETTA Go Active to operations under the Code as in force on and after that date;
- (d) managing the transition of certain data from operations under SAS to operations under the Code before and after BETTA Go Active;
- (e) managing Code systems, processes and procedures so that they operate effectively at and from BETTA Effective Date; and
- (f) consideration of applications for non standard BM unit configurations;

and such arrangements shall be termed "Testing", "Cutover", "Use of SAS Data" and "Applications" as appropriate.

2.1.2 In particular and without limiting the foregoing paragraph 2.1.1, the arrangements referred to in that paragraph may include consideration of the following:

- (a) any amendments required to Sections R and Q to ensure the proper operation of trading arrangements at the first and subsequent Settlement Periods on and after the BETTA Effective Date;
- (b) any amendments relating to the notification of metering faults and transition of notifications regarding metering faults that were notified under SAS;

- (c) any amendments to BMRS reporting arrangements as they currently exist under the Code to enable reporting relating to Great Britain during and immediately following the Transition Period; and
- (d) the use of certain SAS data including Daily Profile Coefficients; BSP Group Net Take for settlement and associated purposes under the Code.

ANNEX I-2: TABLES

Table A Non-standard BM Unit Configurations

<u>Applicant</u>	<u>Site</u>	<u>Summary of BM Unit Configurations</u>	<u>Commencement Date</u>
<u>Grangemouth CHP Limited</u>	<u>BP Grangemouth</u>	<u>CHP Generation, with the CHP Generator's production being regarded as an Export to the Total System.</u>	<u>BETTA Effective Date</u>
<u>Grangemouth CHP Limited</u>	<u>BP Grangemouth</u>	<u>Exempt supplies of electricity from the CHP Generation to the local site demand, with that supply being regarded as an Import from the Total System.</u>	<u>BETTA Effective Date</u>
<u>Grangemouth CHP Limited</u>	<u>BP Grangemouth</u>	<u>Any licensed supplies necessary to satisfy the balance of demand on the site which is not covered by on-site generation, as Imports from the Total System.</u>	<u>BETTA Effective Date</u>

Table B Trading Unit Configurations

<u>Applicant</u>	<u>Site</u>	<u>Summary of Trading Unit Configurations</u>	<u>Commencement Date</u>
<u>British Energy Generation (UK) Limited</u>	<u>Hunterston power station</u>	<u>Class 5 Trading Unit comprising five BM Units. Two of the BM Units are associated with the two main generators the outputs from which are directly connected to the 400kV Transmission system. Two further BM Units are associated with the two Station Transformers which are directly connected to the 132kV Transmission System. The remaining BM Unit is associated with two 11kV supplies from the local Distribution network.</u>	<u>BETTA Effective Date</u>
<u>Grangemouth CHP Ltd</u>	<u>BP Grangemouth</u>	<u>Class 5 Trading Unit comprising two BM Units which are the subject of a non standard BM Unit request. The first BM Unit comprises CHP Generation, with the CHP Generator's production being regarded as an Export to the Total System. The second BM Unit comprises Exempt supplies of electricity from the CHP Generation to the local site demand, with that supply being regarded as an Import from the Total System.</u>	<u>BETTA Effective Date</u>

Table C Metering Dispensations

<u>Applicant</u>	<u>Site</u>	<u>Summary of Dispensations</u>	<u>Commencement Date</u>
<u>British Energy Generation</u>	<u>Torness and Hunterston Power Stations</u>	<u>Metering not at Defined Metering Point. Dispensation for active metering to remain on low voltage side of the Generator Transformers and active and reactive metering to remain on low voltage side of the Station Transformers.</u>	<u>BETTA Effective Date</u>
<u>British Energy Generation</u>	<u>Torness and Hunterston Power Stations</u>	<u>Import and Export metering not installed on all circuits. Dispensation not to meter active Import on main generator circuits and active Export on Station, Unit and Excitation Transformers.</u>	<u>BETTA Effective Date</u>
<u>Scottish and Southern Energy plc.</u>	<u>Peterhead Power Station</u>	<u>Lack of duplicate current transformers and voltage transformers on Unit 1. Time limited dispensation (until the end of the Unit 1 overhaul in the summer of 2005) to continue with the use of a single set of voltage and current transformers.</u>	<u>BETTA Effective Date</u>
<u>Scottish and Southern Energy plc.</u>	<u>Peterhead Power Station</u>	<u>Metering not at Defined Metering Point. Dispensation for metering to remain on low voltage side of Generator Transformers of Units 1 & 2, CCGTs 11, 12 & 13 and OCGTs 3 & 4 as well as the low voltage side of Station Transformers 1, 2, 3 & 4.</u>	<u>BETTA Effective Date</u>
<u>Scottish and Southern Energy plc.</u>	<u>Foyers Pumped Storage</u>	<u>Metering not at Defined Metering Point. Dispensation for metering to remain on low voltage side of Generator Transformers.</u>	<u>BETTA Effective Date</u>
<u>Scottish and Southern Energy plc.</u>	<u>Hydro Electric Power Stations</u>	<u>Metering not at Defined Metering Point at the following hydro electric power stations. Dispensation for metering to remain on low voltage side of Generator Transformers and where applicable, the Station</u>	<u>BETTA Effective Date</u>

		<u>Transformers.</u> <u>Clunie G1, G2 & G3</u> <u>Culligran G1 & G2</u> <u>Deanie G1 & G2</u> <u>Errochty G1, G2 & G3</u> <u>Fasnakyle G1 & G3</u> <u>Glenmoriston G1 & G2</u> <u>Livishie G1</u> <u>Lochay G1 & G2</u> <u>Luichart G1 & G2</u> <u>Quoich G1</u> <u>Sloy G2 & G3</u>	
<u>Scottish and Southern Energy plc.</u>	<u>Mobile Generators</u>	<u>Dispensation to continue to use mobile generators without metering systems installed.</u>	<u>BETTA Effective Date</u>
<u>Scottish Power Generation Ltd.</u>	<u>Longannet and Cockenzie Power Stations</u>	<u>Metering not at Defined Metering Point. Dispensation for metering to remain on low voltage side of Generator and Station Transformers.</u>	<u>BETTA Effective Date</u>
<u>Scottish Power Generation Ltd.</u>	<u>Longannet and Cockenzie Power Stations</u>	<u>Import and Export for some circuits not recorded on Outstations. Dispensation not to record on the Outstations the active import on main generator circuits and active / reactive export on Unit Transformers.</u>	<u>BETTA Effective Date</u>
<u>Scottish Power Generation Ltd.</u>	<u>Cruachan Pumped Storage</u>	<u>Metering not at Defined Metering Point. Dispensation for metering to remain on low voltage side of the Super Grid Transformers.</u>	<u>BETTA Effective Date</u>
<u>Scottish Power Generation Ltd</u>	<u>Kendoon, Tongland and Glenlee Power Stations</u>	<u>Separate test terminal blocks not provided for Main and Check Meters. Dispensation to continue the use of a single test terminal block for Main and Check Meters.</u>	<u>BETTA Effective Date</u>

ANNEX I-3: TRANSITIONAL GLOSSARY

"Approved Transitional Modification":

means a modification to the Code which has been made pursuant to this Section I but which has not yet been implemented;

"BETTA Go Active":

means the date so called and notified in writing to the Transmission Company by the Authority;

"BSP Group Net Take":

means the total energy metered for a BSP Group measured by metering systems at BSPs and adjusted for the net output of embedded power stations and the export from composite sites and imports from the distribution system associated with grid-connected power stations calculated according to the SAS;

"Cutover Document":

means a Transitional Code Subsidiary Document created or to be created to enable the transition of systems operating under SAS and the Code prior to the BETTA Effective Date to those operating under the Code on and after the BETTA Effective Date;

"Entry Processes, Accreditation and Certification Document":

means a Transitional Code Subsidiary Document created or to be created relating to the entry, accreditation and certification processes with which parties who, as the result of the extension of the Code to Scotland, will become Parties and/or Party Agents at or around BETTA Go Active, may have to comply;

"Proposed Transitional Modification":

means a modification to the Code which has been proposed by BSCCo in accordance with this Section I but which has not or not yet been made in accordance with Annex I-1 12;

"Proving Tests":

is a test required as part of the BETTA CVA Metering System registration process and is designed to establish the following:

- (a) that the Meter Technical Details submitted by the Meter Operator Agent to the CDCA to enable data collection are complete, accurate and correctly transferred to the CDCA instation;
- (b) that the CDCA is able to interrogate the Outstation and satisfactorily retrieve metered data in the required format; and
- (c) that a Meter register advance for a given Settlement Period is consistent with the metered data retrieved by the CDCA for that same Settlement Period.

This definition of Proving Test shall apply where the term Proving Test is used in this Section and in BDTP 02.

"Scottish Volume Allocation Units":

means:

- BM Units including Interconnector BM Units and Supplier BM Units;
- Interconnectors;
- Grid Supply Points; and
- GSP Groups;

located in Scotland.

"Testing Document":

means a Transitional Code Subsidiary Document for testing and trialling those processes and matters described in Annex I-1;

"Transitional Code Subsidiary Document":

means a Code Subsidiary Document created or made for the purpose of the implementation of BETTA and includes:

- (a) any BDTPs;
- (b) the Entry Processes, Accreditation and Certification Document;
- (c) the Cutover Document;
- (d) the Testing Document; and
- (e) any other documents required as a result of changes to the Code effected by this Section I;

"Transition Modification Implementation Date":

means, in relation to a Transitional Modification, the date with effect from which the code is to be given effect as modified by that Transitional Modification, as modified by Annex I-1 12;

"Transition Period":

means the period commencing at 0000 hours on BETTA Go Active and ending at the end of the last Settlement Period on the day before the BETTA Effective Date;

SECTION J: PARTY AGENTS

1. GENERAL

1.1 Introduction

1.1.1 This Section J sets out or refers to:

- (a) the types of obligations and activities under the Code which Parties are obliged to perform through the use of Party Agents;
- (b) the duties of Parties to ensure that Party Agent functions are discharged in accordance with relevant performance levels;
- (c) the Accreditation Requirements and the Certification Requirements which must be met by certain Party Agents which a Party intends to use;
- (d) the Entry Processes which Parties and Party Agents must complete;
- (e) the obligation of Parties to register relevant Party Agents in CMRS or SMRS (as the case may be).

1.1.2 In this Section J, in relation to a SVA Metering System:

- (a) references to a Data Collector are to a Half Hourly Data Collector or Non Half Hourly Data Collector; and
- (b) references to a Data Aggregator are to a Half Hourly Data Aggregator or a Non Half Hourly Data Aggregator,

in each case as applicable depending on whether the relevant Metering System is a Half Hourly Metering System or a Non Half Hourly Metering System.

1.2 Obligation to use Party Agents

1.2.1 Each Party shall secure that the following Party Agents are appointed and used, subject to and in accordance with the provisions of this Section J, to perform the obligations and carry out the activities of such Party described in paragraph 1.2.2:

- (a) in relation to each Metering System for which such Party is or is to be the Registrant (other than a Metering System which relates to an Unmetered Supply), a Meter Operator Agent;
- (b) in relation to each SVA Metering System for which such Party is or is to be the Registrant:
 - (i) a Data Collector; and
 - (ii) a Data Aggregator;
- (c) in relation to each SVA Metering System which relates to an Equivalent Unmetered Supply and for which such Party is or is to be the Registrant, a Meter Administrator.

1.2.2 In respect of Metering Systems (or SVA Metering Systems, as the case may be) for which a Party is the Registrant, the principal obligations and activities which that Party is required

to perform through the use of a Party Agent (and which represent the functions of such Party Agent) are as follows:

- (a) in the case of a Meter Operator Agent, to install, commission, test and maintain, and rectify faults in respect of Metering Equipment (including, if applicable, associated Communications Equipment) in accordance with the provisions of Section L;
- (b) in the case of a Half Hourly Data Collector, to retrieve, validate and process metering data from Half Hourly Meters and Equivalent Meters in respect of SVA Metering Equipment in accordance with the provisions of Section S;
- (c) in the case of a Non Half Hourly Data Collector, to retrieve, validate and process metering data from Non Half Hourly Meters in respect of SVA Metering Equipment in accordance with the provisions of Section S;
- (d) in the case of a Half Hourly Data Aggregator, to aggregate metering data received from such Party's Half Hourly Data Collectors and provide such aggregated data to the SVAA in accordance with the provisions of Section S;
- (e) in the case of a Non Half Hourly Data Aggregator, to aggregate metering data received from such Party's Non Half Hourly Data Collectors and provide such aggregated data to the SVAA in accordance with the provisions of Section S;
- (f) in the case of a Meter Administrator, to calculate estimated energy consumption for Equivalent Unmetered Supplies and to provide the relevant data to such Party's Half Hourly Data Collector in accordance with the provisions of Section S.

1.2.3 In addition, where a Party wishes to make Energy Contract Volume Notifications or Metered Volume Reallocation Notifications (as the case may be) in accordance with Section P, it may only do so through the following Party Agents who satisfy the requirements of this Section J and are authorised in accordance with the provisions of Section P:

- (a) in the case of Energy Contract Volume Notifications, through Energy Contract Volume Notification Agents, the principal functions of which shall be to make Energy Contract Volume Notifications in accordance with Section P and to discharge such other functions, in relation to such Party, as are attributed to an Energy Contract Volume Notification Agent in Section P;
- (b) in the case of Metered Volume Reallocation Notifications, through Metered Volume Reallocation Notification Agents, the principal functions of which shall be to make Metered Volume Reallocation Notifications in accordance with Section P and to discharge such other functions, in relation to such Party, as are attributed to a Metered Volume Reallocation Notification Agent in Section P.

1.2.4 In satisfying the requirements of paragraphs 1.2.1 and 1.2.3, a Party may, instead of appointing another person (whether another Party or a third party) to fulfil the role of a Party Agent, discharge the relevant function or functions itself provided it is and remains Accredited (where applicable) and, in that event:

- (a) references to Party Agent, Meter Operator Agent, Data Collector, Half Hourly Data Collector, Non Half Hourly Data Collector, Data Aggregator Half Hourly Data Aggregator, Non Half Hourly Data Agregator, Meter Administrator, Energy Contract Volume Notification Agent and Metered Volume Reallocation

Notification Agent (as the case may be) shall be construed as a reference to such Party (acting in its capacity as such Agent); and

- (b) the provisions of the Code shall apply and be interpreted on the basis that such Party shall itself perform the obligations in respect of which it would otherwise be required to ensure compliance by another person.

1.2.5 In respect of Party Agents appointed under the Code:

- (a) in the case of a Party Agent appointed by a Party pursuant to paragraph 1.2.1, that Party shall be responsible for every act, breach, omission, neglect and failure of such Party Agent (in relation to that Party) and shall itself comply, and shall procure compliance by such Party Agent, with the relevant provisions of the Code and of Code Subsidiary Documents;
- (b) in the case of a Party Agent appointed by Contract Trading Parties pursuant to Section P, those Contracting Trading Parties shall be responsible jointly and severally for every act, breach, omission, neglect and failure of such Party Agent (in relation to those Contracting Trading Parties jointly) and shall themselves comply, and shall procure compliance by such Party Agent, with the relevant provisions of the Code and of Code Subsidiary Documents,

and, for the avoidance of doubt, the provisions of this paragraph 1.2.5 are without prejudice to and shall not affect the rights and obligations as between Parties or between Parties and Party Agents in respect of the appointment or performance of Party Agents (which shall be a matter outside the Code).

1.2.6 Each Party shall, in accordance with any relevant Party Service Lines and BSC Procedures, take such actions and provide such information as is reasonably necessary to enable each Party Agent for which it is responsible to discharge its functions in accordance with the relevant provisions of the Code, relevant Party Service Lines and relevant BSC Procedures.

1.2.7 For the avoidance of doubt, the requirement of a Party to perform certain obligations and to carry out certain activities of such Party through a Party Agent in accordance with this Section J is without prejudice to such Party's responsibility to perform those obligations and carry out those activities under the Code.

1.2.8 Each Party shall ensure that the Party Agents for which it is responsible comply with the relevant provisions of Section O.

1.3 Other Agents under the Code

1.3.1 In addition to the functions to be carried out by the Party Agents referred to in paragraph 1.2 or by the BSC Agents referred to in Section E, the Code requires certain functions to be carried out:

- (a) in respect of its Distribution System(s) and Associated Distribution System(s), by the Supplier Meter Registration Agent responsible for such Distribution System(s);
- (b) by a Data Transfer Service Provider.

1.3.2 The principal functions of a Supplier Meter Registration Agent are as follows:

- (a) to provide and operate a registration service in respect of those Boundary Points on the Distribution System(s) and Associated Distribution System(s) (if any) of such SMRA which are not registered in the Central Meter Registration Service,

in each case in accordance with Section K and Section S and in accordance with the MRA;

- (b) to provide data from such registration system to Parties, Party Agents and BSC Agents for the purposes of Settlement in accordance with the requirements of the Code.
- (c) to provide BSCCo with data from such registration system for the purposes of monitoring in accordance with BSCP533.

1.3.3 The principal function of a Data Transfer Service Provider is to provide a Managed Data Network.

1.4 Establishment and functions of the Performance Assurance Board

1.4.1 The Performance Assurance Board shall be established in accordance with Annex B-1.

1.4.2 The functions, duties and responsibilities of the Performance Assurance Board shall be:

- (a) the conduct and administration of (including the making of determinations under) the SMRS Entry Process and the Supplier Entry Process in accordance with the Code and BSCP 511 and BSCP 512 respectively;
- (b) the Certification (and removal of Certification) of each of the Agency Systems of, and the Accreditation (and removal of Accreditation) of, Accredited Persons in accordance with paragraph 3 and BSCP 531, the conduct and administration of the Certification Process and the Accreditation Process and such other functions, duties and responsibilities as are accorded to it pursuant to this Section J or that BSC Procedure;
- (c) the determination of whether a Supplier has failed to comply with any of the Serials and of the associated charges payable in accordance with Annex S-1 and such other functions, duties and responsibilities as are accorded to it pursuant to that Annex;
- (d) the conduct and administration of (including the making of determinations under) the performance assurance standards and tests set out or referred to in BSCP 533 and BSCP 534, including the conduct and administration of, and publication of the results of, any peer group comparison associated with any such performance assurance standards and tests;
- (e) the carrying out of those functions, duties and responsibilities accorded to it in BSCP 27 and BSCP 535 together with such monitoring and technical assurance functions, duties and responsibilities referred to in Section L as are assigned to it by the Panel from time to time; and
- (f) such other functions, duties and responsibilities as may be accorded to it from time to time under or pursuant to the Code.

1.4.3 The proceedings of the Performance Assurance Board shall be conducted in accordance with the provisions of Annex B-1, as modified (in the case of its Accreditation and Certification functions) by Annex J-1.

2. ACCREDITATION AND CERTIFICATION REQUIREMENTS

2.1 Application

- 2.1.1 For those Party Agents referred to in paragraph 2.1.2, a Party shall only appoint and use persons who are Accredited and whose Agency Systems are Certified (in respect of the functions to be carried out by that Party Agent) and each Party shall ensure that its Party Agents comply in full with the relevant Accreditation Requirements and Certification Requirements.
- 2.1.2 The following Party Agents shall be subject to the Accreditation Requirements and the Certification Requirements of this Section J applicable to that type of Party Agent or to the functions of that type of Party Agent to be carried out by that Party Agent:
- (a) Meter Operator Agents;
 - (b) Data Collectors;
 - (c) Data Aggregators; and
 - (e) Meter Administrators.
- 2.1.3 A person carrying out any of the functions referred to in paragraph 1.3 is required to be Accredited and its Agency Systems to be Certified.

2.2 Establishment of Requirements

- 2.2.1 The Accreditation Requirements and the Certification Requirements provide criteria for assessing:
- (a) the ability of persons to discharge the functions in respect of which they are or wish to be appointed under this Section J; and
 - (b) the ability of systems and processes used by such persons to support such functions.
- 2.2.2 The Accreditation Requirements and the Certification Requirements in relation to each type of Party Agent and to each of the other agents referred to in paragraph 1.3 shall be established by the Panel and recorded in BSC Procedures, as modified from time to time in accordance with Section F3.

2.3 Reliance on Accreditation and Certification

- 2.3.1 Each Party shall be required to satisfy itself as to the financial condition and prospects and the management and operational ability of any Accredited Person which it intends to appoint as its Party Agent and shall not rely on the fact of Accreditation (or the lack of Accreditation) as, or infer therefrom, any representation, warranty or other statement or indication on the part of the Panel, the Performance Assurance Board, the Performance Assurance Administrator or the Certification Agent that the Accredited Person has any or any particular financial condition or prospects or level of management or operational ability.

2.4 Additional functions

- 2.4.1 Where an Accredited Party Agent is to carry out functions in respect of which it is not Accredited and/or its Agency Systems are not Certified, the Party responsible for that Party Agent shall ensure that such Party Agent is Accredited and its Agency Systems are Certified in respect of those functions before such Party Agent starts to carry out those functions.

- 2.4.2 Without prejudice to the generality of paragraph 2.4.1:
- (a) an Accredited Data Aggregator which is to start aggregating energy values per Supplier BM Unit in accordance with paragraph 3.6 of Annex S-2; or
 - (b) an Accredited Data Collector or Accredited Data Aggregator which is to start collecting or aggregating data in the circumstances where paragraphs 3.3.4 and 3.5.5, respectively, of Annex S-2 apply, or
 - (c) an Accredited Data Collector which is to start collecting data in the circumstances where there is a variable supplier as referred to in paragraph 3.5.5 of Annex S-2,

shall be Accredited and its Agency Systems Certified in respect of those functions before starting to do so.

3. ACCREDITATION AND CERTIFICATION PROCESS

3.1 Performance Assurance Board

3.1.1 The Performance Assurance Board shall be responsible, subject to and in accordance with this Section J:

- (a) for the Accreditation of those persons:
 - (i) wishing to be appointed or appointed as a Party Agent to which the Accreditation Requirements apply; or
 - (ii) carrying out the functions referred to in paragraph 1.3; and
- (b) for the Certification of the Agency Systems of those persons:
 - (i) wishing to be appointed or appointed as a Party Agent to which the Certification Requirements apply; or
 - (ii) carrying out the functions referred to in paragraph 1.3.

3.1.2 The Performance Assurance Board shall notify BSCCo when a person becomes Accredited and/or its Agency Systems become Certified.

3.1.3 BSCCo shall maintain an up-to-date list of each person who is Accredited and whose Agency Systems (where applicable) have been Certified and shall make a copy of such list available to any person on request.

3.2 Certification Agent

3.2.1 Where an Applicant's Agency System requires certification by the Certification Agent, the Certification Agent shall:

- (a) prepare the self-assessment certification returns to be completed by each Applicant and the supporting BSC documentation (including guidance notes) to be used by the Certification Agent in the Certification Process (together, the "**Certification Documentation**");

- (b) submit the Certification Documentation to the Performance Assurance Board for approval;
 - (c) revise (and resubmit to the Performance Assurance Board for approval) the Certification Documentation in accordance with the instructions of the Performance Assurance Board from time to time;
 - (d) carry out the Certification Process in accordance with applicable English law, the terms set out in this Section J and BSCP 531 and the approved Certification Documentation;
 - (e) exercise the skill, care and diligence in the preparation and revision of Certification Documentation (recognising that the Certification Agent is required to give effect to the instructions of the Performance Assurance Board under paragraph (c)) and in the performance of the Certification Process reasonably to be expected of a firm of accountants of internationally recognised standing (or to such other standard of skill, care and diligence as may be agreed by BSCCo with the Certification Agent from time to time);
 - (f) in respect of each application for Certification, deliver an opinion of the Certification Agent addressed to the Performance Assurance Board (for itself and on behalf of all Trading Parties) as to whether the Applicant's Agency System has met the Certification Requirements.
- 3.2.2 Without prejudice to the rights of BSCCo under the relevant BSC Agent Contract, the responsibilities of the Certification Agent pursuant to paragraph 3.2.1 are owed exclusively to Performance Assurance Board for itself and all Trading Parties collectively and to no other person provided that the BSC Auditor shall be entitled to rely on all opinions of the Certification Agent delivered pursuant to paragraph 3.2.1(f).
- 3.2.3 Before commencing the Certification Process with respect to the Agency Systems of any person, the Certification Agent shall execute a confidentiality undertaking in favour of such person in such form as may from time to time be agreed by the Performance Assurance Board with the Certification Agent.
- 3.3 Accreditation Process and Certification Process**
- 3.3.1 The Accreditation Process and the Certification Process shall be conducted in accordance with BSCP 531.
- 3.3.2 Save where the person which a Party is wishing to or intending to appoint as its Party Agent is already Accredited and its Agency Systems (where applicable) are already Certified, each Party shall:
- (a) comply with and ensure that its Party Agents comply with the Accreditation Process and the Certification Process (as applicable) such that the Performance Assurance Board can properly determine whether an Applicant should be Accredited and whether its Agency Systems should be Certified;
 - (b) if applicable, co-operate with and ensure that its Party Agents co-operate with the Certification Agent in the execution of its duties to the Performance Assurance Board.
- 3.3.3 Notwithstanding paragraph 3.3.1, in reaching its decision as to whether the Agency Systems of an Applicant (or any of them) should be Certified or an Applicant should be Accredited, the Performance Assurance Board shall be required to give effect to any

instruction given to it by the Panel (whether of general application to the Certification Process or the Accreditation Process or specific to one or more Agency Systems or Applicants) and to any determination made by the Panel with respect to the Accreditation Requirements or the Certification Requirements.

- 3.3.4 The Performance Assurance Board shall ensure that copies of the latest version of this Section J and BSCP 531 are provided to Applicants.
- 3.3.5 The Performance Assurance Board shall:
- (a) subject to paragraph 3.8, if applicable, provide each Applicant with, or arrange for each Applicant to be provided with, a copy of all opinions of the Certification Agent in relation to the Agency System(s) of that Applicant delivered pursuant to paragraph 3.2.1(f) at the same time as the Performance Assurance Board notifies such Applicant whether its Agency System(s) has (have) been Certified and/or (as the case may be) such Applicant has been Accredited; and
 - (b) be under no obligation to provide an Applicant with, or arrange for it to be provided with, a copy of any such opinion at any time before it gives such notification.
- 3.3.6 The Performance Assurance Board shall make available to the Authority all information held by the Performance Assurance Board which the Authority reasonably requires for the purposes of making any determination pursuant to paragraph 3.7.
- 3.3.7 Where an Applicant's Agency System requires certification by the Certification Agent, the Performance Assurance Board shall not Certify the Agency System of such person unless the Certification Agent has provided an opinion (not being a disclaimer of opinion, howsoever called) in the terms of paragraph 3.2.1(f) in relation to that Agency System.
- 3.3.8 The provisions of Annex J-1 shall apply to proceedings of the Performance Assurance Board concerning Accreditation and Certification pursuant to this Section J.

3.4 Removal of Certified or Accredited status

- 3.4.1 The Performance Assurance Board shall have the right at any time and from time to time in accordance with and in the circumstances set out in BSCP 531:
- (a) to remove the Certification of all or any of the Agency Systems of any person, whereupon such Agency System(s) shall cease to be Certified; and/or
 - (b) to remove the Accreditation of any person, whereupon such person shall cease to be Accredited.
- 3.4.2 Relevant Parties shall be notified as set out in and in accordance with BSCP 531 where the Certification of an Agency System or the Accreditation of a person is removed pursuant to paragraph 3.4.1.
- 3.4.3 Nothing in this Section J or BSCP 531 shall prevent any person whose Agency Systems have been refused Certification or who has been refused Accreditation, or any person whose Agency Systems have had their Certification removed or withdrawn or whose Accreditation has been removed or withdrawn, from re-applying for Certification or Accreditation (as the case may be) at any time.

3.5 Re-Certification

3.5.1 Each Accredited Person shall be required to have its Agency Systems re-Certified at the times specified in, and otherwise in accordance with, BSCP 531.

3.5.2 If any such Agency System is not so re-Certified, such person's Accreditation shall automatically lapse.

3.6 Fees and expenses

3.6.1 The Performance Assurance Board shall determine and publish to Accredited Persons a Menu of Certification Fees which shall be charged for the purposes of Certification, and the Performance Assurance Board shall have the right to revise such fees from time to time.

3.6.2 Each Accredited Person shall pay its own costs and expenses incurred in connection with the Certification Process and the Accreditation Process.

3.7 Referral to the Authority

3.7.1 The sole and exclusive remedy of an Accredited Person who is dissatisfied with the decision of the Performance Assurance Board in relation to its Accreditation or removal of Accreditation or the Certification or removal of Certification of its Agency Systems (the "**Dissatisfied Accredited Person**") shall be to refer the matter to the Authority in accordance with this paragraph 3.7 for determination.

3.7.2 For a referral to be valid pursuant to paragraph 3.7.1, the Dissatisfied Accredited Person must:

- (a) refer the matter for determination to the Authority in writing (with a copy to the Performance Assurance Board) no later than 14 days after receipt by the Dissatisfied Accredited Person of the relevant decision of the Performance Assurance Board; and
- (b) set out in its referral to the Authority (with reasons in support) the ground or grounds on which the Dissatisfied Accredited Person is making its application to the Authority which shall be one or more of the following (and no other):-
 - (i) that the Performance Assurance Board has not followed the procedures set out in this Section J and BSCP 531; or
 - (ii) that the Performance Assurance Board has given undue weight to particular evidence submitted or to the lack of particular evidence; or
 - (iii) that the Performance Assurance Board has misinterpreted all or some of the evidence submitted in connection with such application; or
 - (iv) that, notwithstanding any restrictions that the Panel may place on the Performance Assurance Board as to how it is to assess and decide the matter, the Performance Assurance Board should not have taken into account the failure by the Dissatisfied Accredited Person to satisfy one or more specified Accreditation Requirements or, as the case may be, the failure of the Dissatisfied Accredited Person's Agency System(s) to satisfy one or more Certification Requirements.

3.7.3 On a valid referral pursuant to paragraph 3.7.1 the Authority may either determine the matter itself or, if it thinks fit, refer the matter for determination by an arbitrator appointed by it and, subject to paragraph 3.7.4, the practice and procedure to be followed in

connection with any such determination shall be such as the Authority may consider appropriate.

- 3.7.4 In connection with any referral pursuant to paragraph 3.7.1 which the Authority determines itself, the Authority shall have:
- (a) the right to engage an independent consultant selected by the Authority and to take and rely on the advice of such independent consultant; and
 - (b) the discretion to make a determination that the Dissatisfied Accredited Person should or should not be or remain Accredited or that its Agency System(s) should or should not be or remain Certified notwithstanding that the ground on which the Dissatisfied Accredited Person has applied to the Authority is either the wrong ground or has not been proven.
- 3.7.5 The determination of the Authority or, as the case may be, the arbitrator pursuant to paragraph 3.7.3 shall be final, conclusive and binding on the Dissatisfied Accredited Person, the Performance Assurance Board, the Panel and all Parties, and may include a provision as to the payment in respect of the costs and expenses incurred by the person making the determination.
- 3.7.6 The Dissatisfied Accredited Person, the Performance Assurance Board and all Parties shall promptly give effect to any such determination.
- 3.7.7 For the avoidance of doubt, neither Section H7 nor Section H8 shall apply in the case where an Accredited Person is dissatisfied with any decision of the Performance Assurance Board referred to in paragraph 3.7.1.

3.8 Accredited Persons' Responsibilities

- 3.8.1 Applicants shall agree to be bound by the Certification Process, the Accreditation Process, the provisions of this Section J and BSCP 531 and the provisions of Annex B-1 by the execution of a letter agreement in form and content satisfactory to the Performance Assurance Board.
- 3.8.2 Each Accredited Person represents, warrants and undertakes to BSCCo (for itself and as trustee and agent for each other Party, the Panel, the Performance Assurance Board, the Performance Assurance Administrator and the Certification Agent) that:
- (a) all information supplied by or on behalf of the Accredited Person to the Performance Assurance Board, the Performance Assurance Administrator or the Certification Agent in connection with the Certification Process or the Accreditation Process is true, complete and accurate and not misleading because of any omission or ambiguity or for any other reason, subject to disclosure, if any, acceptable to the Performance Assurance Board being made in advance of the provision of the relevant information to the Performance Assurance Board, the Performance Assurance Administrator or (as the case may be) the Certification Agent;
 - (b) completion of all documentation by or on behalf of the Accredited Person in connection with the Certification Process or the Accreditation Process is and will remain the sole responsibility of the Accredited Person;
 - (c) the Accredited Person will duly complete all such documentation and provide all the information required thereunder within the time periods prescribed by BSCP 531; and

- (d) the Accredited Person has had the opportunity to take its own legal and other professional advice regarding the Certification Process and the Accreditation Process;
- 3.8.3 Without prejudice to the generality of paragraph 3.8.2, each Accredited Person will confirm in writing to BSCCo (for itself and on behalf of the each other Party, the Panel, the Performance Assurance Board, the Performance Assurance Administrator and the Certification Agent) in accordance with BSCP 531 that each of the other representations, warranties and undertakings in this paragraph 3.8 are true and have been complied with as at the date on which it has been notified that its application(s) for Certification and/or Accreditation will be considered by the Performance Assurance Board.
- 3.8.4 Each Accredited Person shall co-operate fully with the Performance Assurance Board, the Performance Assurance Administrator and the Certification Agent in the Certification Process and the Accreditation Process and, without prejudice to the generality of the foregoing, shall permit each of them reasonable access to the Accredited Person's business records, working papers and employees for the purposes of each such process upon not less than three Business Days' advance notice.
- 3.8.5 Each Accredited Person acknowledges and agrees that:
- (a) it shall not, and shall not be entitled to, place any reliance on any working papers, opinion, report or other documentation prepared by or for (or any oral or written interpretation of, or any oral or written advice given in relation to, any such working papers, opinion, report or other documentation by) the Performance Assurance Board, the Performance Assurance Administrator or the Certification Agent in connection with the Certification Process or the Accreditation Process unless such working papers, opinion, report or other documentation is expressly addressed to such Accredited Person; and
 - (b) it shall keep confidential on the terms set out in Section H4.2 any working papers, opinions, report or other documentation referred to in paragraph (a) unless such working papers, opinion, report or other documentation is expressly addressed to such Accredited Person.
- 3.8.6 It shall be a condition of any Accreditation or Certification that the Accredited Party complies with the provisions of this Section J and of BSCP 531.

3.9 Derogations

- 3.9.1 The Panel may issue a derogation, in accordance with BSCP 531, to any Accredited Person in respect of the Accreditation of such Accredited Person and/or the Certification of the Agency System(s) of such Accredited Person.
- 3.9.2 A derogation issued pursuant to paragraph 3.9.1 may relieve such Accredited Person from its obligation to comply with one or more specified provisions (a "derogated provision") of the Code and/or of a Code Subsidiary Document on such terms as the Panel may determine and such Accredited Person shall not be in breach of the requirements of the Code insofar as it fails to comply with any such derogated provision provided such Accredited Person is otherwise in compliance with the Code and with the terms of any such derogation.
- 3.9.3 An Accredited Person shall use its best endeavours to comply with the terms and conditions of any applicable derogation for so long as it is in effect.
- 3.9.4 A Party appointing or using an Accredited Person in respect of whom a derogation has been issued pursuant to this paragraph 3.9 shall have the benefit of such derogation (subject

to paragraph 3.9.3) and, accordingly, such Party shall not be in breach of the requirements of the Code insofar as it or its Party Agent fails to comply with any such derogated provision provided such Party (and such Party's Party Agent) is otherwise in compliance with the Code and with the terms of any such derogation.

4. APPOINTMENT AND REPLACEMENT OF PARTY AGENTS

4.1 Appointment

4.1.1 The provisions of this paragraph 4 apply in respect of those Party Agents referred to in paragraph 1.2.1.

4.1.2 The identity of each Party Agent for which a Party is responsible shall be determined by that Party save that:

- (a) there must always be one and no more than one effective appointment of the relevant type of Party Agent (as applicable) at any time in relation to a particular Metering System in respect of any particular period;
- (b) the provisions of paragraph 4.1.4 shall apply in relation to Shared SVA Metering Systems;
- (c) the provisions of paragraphs 4.1.5 and 4.1.6 shall apply in relation to Third Party Generation.

4.1.3 For the avoidance of doubt, the same person may be registered as a Party Agent in respect of more than one Metering System and/or as more than one Party Agent in respect of the same Metering System.

4.1.4 In respect of a Shared SVA Metering System, where the same SVA Metering Equipment measures Export Active Energy in respect of supplies to two or more Suppliers or Import Active Energy in respect of supplies by two or more Suppliers (as the case may be):

- (a) the Primary Supplier shall:
 - (i) nominate a Meter Operator Agent and a Data Collector for that Shared SVA Metering System and inform the Secondary Supplier(s) of that nomination; and
 - (ii) ensure that the nominated Data Collector is provided with the Allocation Schedule for that Shared SVA Metering System in accordance with BSCP 550;
- (b) all such Suppliers shall:
 - (i) secure that the nominated Meter Operator Agent and Data Collector is appointed for that Shared SVA Metering System notwithstanding that the Metering System may have more than one SVA Metering System Number for the purposes of registration in SMRS;
 - (ii) arrange for the Primary Supplier to notify the nominated Meter Operator Agent and Data Collector of those SVA Metering System Numbers before their respective appointments as Party Agents come into effect;

- (iii) notify the nominated Meter Operator Agent of its appointment and the nominated Data Collector of its appointment at least five Business Days before such appointment is to come into effect and (if practicable) give them at least five Business Days' notice of the termination of their respective appointments; and
 - (c) each such Supplier shall appoint a Data Aggregator of its choice provided that the Primary Supplier shall in respect of any particular period appoint its Data Aggregator against its related SVA Metering System Number(s) and the Secondary Supplier(s) shall appoint their Data Aggregators against their related SVA Metering System Number(s) for such Shared SVA Metering System.
- 4.1.5 Where the same SVA Metering Equipment at a Third Party Generating Plant measures both Import Active Energy and Export Active Energy:
- (a) the Supplier (or, in the case of a Shared SVA Metering System, the Primary Supplier) which is taking the Export Active Energy shall secure that the same Meter Operator Agent is appointed in respect of the measurement of Export Active Energy as has been appointed in respect of the measurement of Import Active Energy; and
 - (b) the Supplier (or, in the case of a Shared SVA Metering System, the Primary Supplier) which is supplying the Import Active Energy shall provide the Party (or Primary Supplier, as the case may be) which is taking the Export Active Energy with details of the Meter Operator Agent appointed in respect of the measurement of Import Active Energy,
- in accordance with BSCP 550.
- 4.1.6 Where an Outstation or Outstations associated with a SVA Metering System at a Third Party Generating Plant is being used for the purposes of transferring data relating to both Import Active Energy and Export Active Energy:
- (a) the Supplier (or, in the case of a Shared SVA Metering System, the Primary Supplier) which is taking the Export Active Energy shall, subject to paragraph (c)) secure that the same Data Collector is appointed as is appointed to collect Import Active Energy from such Outstation;
 - (b) the Supplier (or, in the case of a Shared SVA Metering System, the Primary Supplier) which is supplying the Import Active Energy shall provide the Party (or Primary Supplier, as the case may be) which is taking the Export Active Energy with details of the Data Collector appointed in respect of the collection of data relating to Import Active Energy; and
 - (c) both Suppliers shall ensure that the Data Collector so appointed is appropriately Accredited.
- 4.1.7 Where the same Metering Equipment at an Exemptable Generation Plant is comprised both in an SVA Metering System and a CVA Metering System:
- (a) the Party which is Registrant of the CVA Metering System shall secure that the same person is appointed as Meter Operator Agent in relation to the CVA Metering System as is appointed in relation to the SVA Metering System;

- (b) the Supplier which is Registrant of the SVA Metering System shall provide the Registrant of the CVA Metering System with details of the Meter Operator Agent in relation to the SVA Metering System;
- (c) both such Parties shall ensure that the person so appointed as Meter Operator Agent is appropriately Accredited;
- (d) both such Parties shall notify the nominated Meter Operator Agent of its appointment at least five Business Days before such appointment is to come into effect and (if practicable) give it at least five Business Days' notice of the termination of its appointment.

4.1.8 Where the same Metering Equipment at an Exemptable Generating Plant is comprised in both an SVA Metering System and a CVA Metering System, and the same Outstation(s) are used for the purposes of transferring data relating to both Metering Systems:

- (a) the Party which is Registrant of the SVA Metering System shall provide the Registrant of the CVA Metering System with details of the Data Collector appointed in relation to the SVA Metering System;
- (b) the Party which is Registrant of the CVA Metering System shall request the CDCA to provide to such Data Collector access (pursuant to Section R1.4.7 and subject to the proviso in Section R1.4.6) to the relevant Communications Equipment.

4.2 Replacement

- 4.2.1 Each Party may arrange for any Party Agent for which it is responsible to be removed from time to time provided that a replacement Party Agent shall have been appointed and registered in accordance with this Section J with effect from the date of removal of the removed Party Agent.
- 4.2.2 Each Party shall ensure that the appointment of a Party Agent for which it is responsible shall terminate on withdrawal or removal of the Accreditation (where applicable) of the relevant Party Agent and/or of the Certification (where applicable) of the Agency System(s) of such Party Agent.
- 4.2.3 Each Party shall ensure that there are appropriate arrangements in place in compliance with the relevant Party Services Lines with each Party Agent for which it is responsible from time to time to enable any replacement Party Agent for which it is responsible to take over the functions of a Party Agent whose appointment has expired or been terminated, including arrangements for the transfer of relevant data to such replacement Party Agent.
- 4.2.4 Any replacement of a Party Agent shall be undertaken in accordance with the relevant BSC Procedures relating to that Party Agent.
- 4.2.5 Subject to paragraph 4.2.6, paragraph 4.2.7 applies where:
 - (a) a Supplier proposes to carry out, on any day, the replacement of any Supplier Agent(s) appointed in relation to Non Half Hourly Metering Systems (an "agent replacement");

- (b) the Panel has for the time being determined a threshold number for the purposes of paragraph (c)(i) or of paragraph (c)(ii);
- (c) the number of Non Half Hourly Metering Systems subject to the proposed agent replacement, either:
 - (i) in aggregate, or
 - (ii) in any one SMRS,exceeds the applicable threshold number for the time being determined by the Panel.

4.2.6 Paragraph 4.2.7 shall not apply if:

- (a) the appointment of a replacement Supplier Agent(s) is to be made in consequence of the termination of the appointment of the existing Supplier Agent(s) either:
 - (i) pursuant to paragraph 4.2.2, or
 - (ii) as a result of the doing by, or occurrence in relation to, the existing Supplier Agent(s) of any of the things or events set out in Section H3.1.1(g) (construed as if references to the Defaulting Party were to the Supplier Agent); and
- (b) the Supplier gives notice to the Panel, as much in advance as is reasonably practicable, of the proposed agent replacement, certifying that the case falls within paragraph (a), and specifying the date on which the agent replacement is to be carried out and the SMRSs which are affected.

4.2.7 Where this paragraph applies:

- (a) the Supplier shall submit to the Panel, in accordance with BSCP 513, an application for approval to carry out the agent replacement, including:
 - (i) a proposed timetable and methodology for carrying out the agent replacement;
 - (ii) such confirmation as the Panel may require, from the Supplier, the existing Supplier Agent(s), the proposed replacement Supplier Agent(s) and each relevant SMRA, as to their respective abilities to manage and carry out the agent replacement;
 - (iii) such further details as may be required in accordance with BSCP 513;and the Supplier shall not carry out the agent replacement without the prior approval of the Panel;
- (b) the Supplier shall discuss its application with the Panel, and/or provide such further information to the Panel, as the Panel may require in connection with its consideration of the application;
- (c) the Panel may require changes to the proposed timetable (including the day on which the replacement is to be carried out) and methodology and/or may impose

additional requirements for the agent replacement as a condition of giving its approval therefor;

- (d) the Panel shall consider the application and notify the Supplier whether it is approved as soon as reasonably practicable;
- (e) the Panel may (notwithstanding it has already approved the application) require changes or further changes to the proposed timetable or methodology for the agent replacement, if the Panel is subsequently notified that another Supplier will carry out an excepted agent replacement on the same day as the proposed agent replacement;
- (f) if the application is approved, the Supplier (if it decides to proceed) shall so notify BSCCo and shall carry out the agent replacement in accordance with the proposed timetable and methodology with such changes, and in accordance with such other requirements, as the Panel may have required under paragraph (c) or (e).

4.2.8 If a Supplier:

- (a) notifies BSCCo under paragraph 4.2.7(f) that it will proceed with an agent replacement, or
- (b) notifies the Panel of an excepted agent replacement in accordance with paragraph 4.2.6.

BSCCo shall place on the BSC Website a statement to the effect that an agent replacement within paragraph 4.2.5 is to be carried out, specifying the date on which it is to be carried out and the SMRSs affected.

4.2.9 For the purposes of paragraphs 4.2.5 to 4.2.8:

- (a) references to carrying out on a day the replacement of a Supplier Agent are to implementing on that day the procedures under the Code for such replacement, irrespective of the date(s) from which such replacement is to be effective;
- (b) an "excepted agent replacement" is an agent replacement in a case falling within paragraph 4.2.6 but in relation to which either test in paragraph 4.2.5(c) is met.

5. ENTRY PROCESSES AND QUALIFICATION

5.1 Supplier and SMRA Responsibilities

- 5.1.1 Each Supplier shall ensure that it and each unique combination of its Supplier Agents who are to be responsible for SVA Metering Systems within a SMRS has satisfied the requirements of the Supplier Entry Process in accordance with BSCP 512 before any registration of that Supplier in respect of a SVA Metering System in that SMRS becomes effective.
- 5.1.2 Supplier Meter Registration Agents shall be subject to the SMRS Entry Process requirements in accordance with BSCP 511.
- 5.1.3 Each Supplier shall ensure that, where an Agency System of its Supplier Agents has to be re-Certified in accordance with paragraph 3.5 or where paragraph 2.4 applies, the relevant

Supplier Entry Process requirements in respect of such Supplier Agent are met in accordance with BSCP 512.

- 5.1.4 This paragraph 5 shall apply on a Supplier ID basis and its provisions shall be construed accordingly.

5.2 Performance Assurance Board

5.2.1 The Performance Assurance Board shall be responsible for the conduct and administration of the Entry Processes for Supplier Agents and Supplier Meter Registration Agents in accordance with this Section J and the relevant BSC Procedures.

5.2.2 The Performance Assurance Board shall notify BSCCo promptly upon completion by a Party and/or its Party Agents of the relevant Entry Process requirements pursuant to this Section J.

5.3 Qualification

5.3.1 A Party shall only appoint and use as Party Agents persons who have complied with and satisfied the requirements of Section O3.2 in respect of such Party Agent (to the extent applicable to such Party Agent).

5.3.2 If a Party Agent fails to comply in any material respect with the provisions of Section O applicable to such Party Agent:

- (a) the Panel may determine that such Party Agent shall no longer be entitled to carry out the functions for which it is responsible until and unless it has remedied such failure;
- (b) if the Panel so determines, each Party which has appointed such Party Agent shall appoint another Party Agent, within a time specified by the Panel, to carry out those functions in its place.

5.3.3 The provisions of paragraph 5.3.2 are without prejudice to a Party's obligations under paragraphs 1.2.5 and 1.2.8.

6. REGISTRATION

6.1 Obligation to register

6.1.1 Where a Party is required, by virtue of paragraph 1.2.1, to appoint and use a Party Agent, such Party shall register the identity of the person(s) appointed by such Party to act as its Party Agent (including where such Party is to discharge the relevant function itself pursuant to paragraph 1.2.4) in accordance with the provisions of this paragraph 6.1.

6.1.2 In respect of each Metering System and each type of Party Agent responsible for functions in relation to that Metering System, no more than one person may be registered at any one time as such Party Agent, subject to paragraph 4.1.4(c).

6.1.3 In respect of each CVA Metering System for which a Party is or is to be the Registrant:

- (a) such Party shall register (and ensure that there is registered at all times) in CMRS the identity of the person appointed to act as its Meter Operator Agent with effect from the time when it becomes the Registrant of such CVA

Metering System and for so long as it remains the Registrant of such CVA Metering System.

- (b) such registration shall not be effective until BSCCo confirms to the CDCA that such person is Accredited and its Agency System(s) are Certified.

6.1.4 In respect of each SVA Metering System for which a Supplier is or is to be the Registrant, such Supplier shall register (and ensure that there is registered at all times) in SMRS the identity of the person(s) appointed to act as the following Supplier Agents (as applicable to such SVA Metering System) with effect from the time when it becomes the Registrant of such SVA Metering System and for so long as it remains the Registrant of such Metering System:

- (a) Meter Operator Agent;
- (b) Data Collector;
- (c) Data Aggregator;
- (d) Meter Administrator

in each case in accordance with the provisions of BSCP 501 and the provisions of the Master Registration Agreement.

6.2 Change of registration

6.2.1 The provisions of paragraph 6.1 shall apply mutatis mutandis in respect of the registration of any replacement Party Agent.

6.3 ECVNAs and MVRNAs

6.3.1 The provisions of Section P shall apply in relation to the submission of ECVNA Authorisations and MVRNA Authorisations.

6.3.2 No ECVNA Authorisation or MVRNA Authorisation shall become effective until and unless BSCCo has confirmed to the ECVAAs that the provisions of this Section J, as they relate to ECVNAs or MVRNAs (as the case may be), have been satisfied in respect of the person forming the subject of such Authorisation.

7. PERFORMANCE ASSURANCE AND PARTY AGENTS

7.1 Provision of data

7.1.1 Each Party shall ensure that it and each of its Party Agents comply with the data provision requirements (if any) which relate to the performance of such Party and/or its Party Agents as set out in the relevant BSC Procedures.

7.1.2 The performance of Party Agents shall be determined by the Performance Assurance Board in accordance with the process and techniques described in the relevant BSC Procedures to the extent applicable to such Party Agent.

7.1.3 Performance Monitoring Reports shall be produced and circulated in accordance with the relevant BSC Procedures.

ANNEX J-1: ACCREDITATION AND THE PERFORMANCE ASSURANCE BOARD

1. ACCREDITATION AND THE PERFORMANCE ASSURANCE BOARD

1.1 Modification of Proceedings

- 1.1.1 The provisions of this Annex J-1 apply by way of supplement and qualification to Annex B-1, in relation to matters concerning the Certification (or removal of Certification) of the Agency Systems of, and/or the Accreditation (or removal of Accreditation) of, any person and/or the Certification Process or the Accreditation Process and/or such other matters as are the subject of Section J3 and/or BSCP 531.
- 1.1.2 Notice of meetings of the Performance Assurance Board shall additionally be given to:
- (a) the Certification Agent and the Performance Assurance Administrator; and
 - (b) insofar as concerns the Certification (or removal of Certification) of the Agency System of any person or the Accreditation (or removal of Accreditation) of any person, that person (such notice not constituting an invitation to that person to attend that meeting).
- 1.1.3 If the Certification Agent or the Performance Assurance Administrator wishes to advise additional matters which it wishes to be considered at a meeting of the Performance Assurance Board, it shall give notice to all other persons entitled to attend that meeting no later than three Business Days before the date of the meeting (or such lesser period as the Performance Assurance Board may from time to time determine).
- 1.1.4 Insofar as concerns the Certification (or removal of Certification) of the Agency System of any person or the Accreditation (or removal of Accreditation) of any person, a copy extract of that part of the minutes of the relevant meeting of the Performance Assurance Board as relates to such matter shall additionally be given to that person.
- 1.1.5 Each of the Certification Agent and the Performance Assurance Administrator (or its respective duly appointed representative) shall have the right to attend and speak (but not to vote) at meetings of the Performance Assurance Board.
- 1.1.6 A member of the Performance Assurance Board shall not:
- (a) participate as a member of the Performance Assurance Board in the consideration of whether the Agency Systems of his employer or of any Affiliate of his employer should be Certified (or their Certification removed) or whether his employer or any Affiliate of his employer should be Accredited (or its Accreditation removed);
 - (b) be counted in ascertaining whether a quorum is present at a meeting of the Performance Assurance Board convened to consider whether the Agency Systems of his employer or of any Affiliate of his employer should be Certified (or their Certification removed) or whether his employer or any Affiliate of his employer should be Accredited (or its Accreditation removed); or
 - (c) be entitled to receive any working papers, opinions, reports or other documentation which have been prepared for the Performance Assurance Board in connection with the Certification Process or Accreditation Process insofar as they relate specifically to his employer or any Affiliate of his employer.

- 1.1.7 A member of the Performance Assurance Board shall not disclose to his employer or any Affiliate of his employer confidential information which he has received in his capacity as a member of the Performance Assurance Board unless:
- (a) required to do so by any Legal Requirement;
 - (b) in order for his employer or any such Affiliate to comply with the conditions of any Licence with which his employer or any such Affiliate, as the case may be, is required to comply;
 - (c) required to do so by any stock exchange or regulatory authority or the Panel on Take-overs and Mergers; or
 - (d) pursuant to the arbitration rules of the Electricity Arbitration Association or pursuant to any judicial or other arbitral process or tribunal having jurisdiction in relation to him or his employer or any such Affiliate, as the case may be,

in any of which events the member of the Performance Assurance Board shall first be required to give written notice of the required disclosure to the Performance Assurance Board.

1.2 Delegation

- 1.2.1 The Performance Assurance Board shall not have the right to delegate the taking of any decision as to whether the Agency Systems of a person (or any of them) should be Certified (or the Certification removed) or a person should be Accredited (or its Accreditation removed).

1.3 Interpretation

- 1.3.1 In this Annex J-1 (and in any of the provisions of Section J) a reference to a member of the Performance Assurance Board is to a Panel Member or member of a Panel Committee in the capacity of a member of the Performance Assurance Board.

SECTION K: CLASSIFICATION AND REGISTRATION OF METERING SYSTEMS AND BM UNITS

1. GENERAL

1.1 Introduction

1.1.1 This Section K sets out the basis for:

- (a) identifying the Parties which are responsible (for the purposes of the Code) for Exports and Imports of electricity at Boundary Points;
- (b) the registration in the names of such Parties of the Metering Systems installed (in accordance with Section L) for the purposes of measuring separately such Exports and Imports;
- (c) such Parties to establish and register BM Units comprising the Plant and Apparatus for whose Exports and Imports they are responsible, and to assign those BM Units to Trading Units;
- (d) the approval of Line Loss Factors by the Panel.

1.1.2 This Section K also sets out the requirements for Parties to register Metering Systems at Systems Connection Points for which they are responsible.

1.1.3 In relation to an Interconnector, in the case of any inconsistency between the provisions of paragraph 5 and the other provisions of this Section K, the provisions of paragraph 5 shall prevail.

1.1.4 For the purposes of the Code:

- (a) in relation to the terms Export and Import, references to the Plant or Apparatus of a Party shall be treated as including:
 - (i) the premises of a Customer supplied by that Party;
 - (ii) Plant and Apparatus of a Third Party Generator for whose Exports that Party has elected to be responsible in accordance with paragraph 1.2.2(a)(ii)(2);
 - (iii) Plant or Apparatus (whether or not owned or operated by that Party), not forming part of the Total System, by which electricity is transported from the Total System to premises supplied by the Total System or (as the case may be) to the Total System from Generating Plant providing electricity to the Total System;
 - (iv) an Interconnector in relation to which that Party is an Interconnector User.
- (b) subject to paragraphs (c) and (d), unless otherwise provided:
 - (i) "**Export**" means, in relation to a Party, a flow of electricity from any Plant or Apparatus (not comprising part of the Total System) of that Party to the Plant or Apparatus (comprising part of the Total System) of a Party;

- (ii) **"Import"** means, in relation to a Party, a flow of electricity to any Plant or Apparatus (not comprising part of the Total System) of that Party from the Plant or Apparatus (comprising part of the Total System) of a Party;

and Export and Import, as verbs, shall be construed accordingly;

- (c) any Export or Import is to be determined at a single Boundary Point; and in relation to a Party, the Export or Import at a Boundary Point is the flow (under paragraph (b)(i) or (b)(ii) respectively) which would occur at the Boundary Point, but for:
 - (i) any opposite flow (at the same Boundary Point) to or from other Plant or Apparatus (not comprising part of the Total System) of that Party, and
 - (ii) any other flow (at the same Boundary Point) to or from any other Party's Plant or Apparatus (not comprising part of the Total System);
- (d) notwithstanding paragraph (c), the combined flows from or to a Generating Unit and to or from the associated unit transformer in a Settlement Period shall be netted and considered to be a single Export or Import, and separate from any Export or Import of any other Plant or Apparatus;

1.2 Obligations of Parties in relation to Exports and Imports

1.2.1 Subject to the further provisions of this Section K, the Party responsible (in accordance with paragraph 1.2.2 below) for any Exports or Imports of electricity at a Boundary Point shall:

- (a) install, maintain and operate or secure that there is installed, maintained and operated, subject to and in accordance with Section L, Metering Equipment by which (over periods and otherwise in accordance with the further requirements of the Code) the quantities of such Exports and Imports separately can be measured, but subject to the provisions of Section S8 as to Unmetered Supplies;
- (b) register the Metering System(s) which result or will result from installation of such Metering Equipment, in accordance with paragraph 2;
- (c) establish and register BM Unit(s) comprising the relevant Plant and Apparatus in accordance with paragraph 3;
- (d) assign each BM Unit to a Trading Unit established and registered in accordance with paragraph 4.

1.2.2 For the purposes of the Code:

- (a) the Party **"responsible"** for an Export:
 - (i) in the case of an Export from a Generating Plant, subject to paragraph (ii), shall be the Party which generates electricity at that Generating Plant;
 - (ii) in the case of an Export from Exemptable Generating Plant:
 - (1) where the person which generates electricity at that Generating Plant is a Party and has elected (by applying

to register Metering System(s) for that Generating Plant in accordance with paragraph 2) to be responsible for such Export, shall be that Party;

- (2) subject to paragraph 2.5, where the person (whether or not a Party) which generates electricity at that Generating Plant has for the time being authorised a Party to accept responsibility for that Export, and that Party has elected (by applying to register Metering System(s) for that Generating Plant in accordance with paragraph 2) to be so responsible, shall be that Party;

provided that no Party shall be so responsible unless it has so elected;

- (iii) in the case of an Export from an Interconnector, shall be determined in accordance with paragraph 5;
- (iv) in any other case, shall be determined by the Panel after consultation with the Authority, on application of any Party;

(b) the Party "**responsible**" for an Import:

- (i) in the case of an Import constituting the supply of electricity to premises connected to the Total System, whether or not for consumption at those premises, shall be the person who supplies electricity to those premises;
- (ii) in the case of an Import to any Generating Plant at which electricity is generated by a Party holding a Generation Licence, shall be that Party;
- (iii) in the case of an Import to an Interconnector, shall be determined in accordance with paragraph 5;
- (iv) in the case of an Import (not constituting the supply of electricity to premises) to a distribution system connected to a Distribution System, shall be the person recognised under the MRA as responsible for such Import;
- (v) in any other case, shall be determined by the Panel after consultation with the Authority, on application of any Party;

(c) Generating Plant is "**Exemptable**" Generating Plant where the person generating electricity at that Generating Plant is, or would (if it generated electricity at no other Generating Plant and/or did not hold a Generation Licence) be, exempt from the requirement to hold a Generation Licence;

(d) Generating Plant which is not Exemptable is "**Licensable**" Generating Plant;

(e) in paragraph (b)(i), references to the supply of electricity includes the provision of electricity to a person (whether or not the same as the person providing the electricity) at premises connected to the Transmission System.

1.2.3 A Party shall not commence or permit to be commenced any Exports or Imports for which that Party is to be responsible until that Party has complied with the requirements in

paragraph 1.2.1 and the registrations under paragraphs (b) and (c) thereof have become effective.

1.2.4 Where a Party has failed for any period to comply with any requirements in paragraph 1.2 in relation to any Plant or Apparatus for which he is responsible, nothing in the Code shall prevent such Party from being held liable for payment of any amount by way of Trading Charges in such period, where (on the basis of retrospective application of steps taken to comply or otherwise) the Code provides for the amount for which the Party is or would have been so liable to be established or determined for the purposes of Settlement.

1.2.5 The Party responsible for any Exports or Imports at a Boundary Point shall ensure that it (or the person otherwise required to do so) has entered into and has in full force and effect all appropriate Connection Agreements with respect to its Exports or Imports at that Boundary Point.

1.3 Obligations of Parties in relation to Systems Connection Points

1.3.1 Subject to the further provisions of this Section K, the Party responsible for any Systems Connection Point shall:

- (a) install, maintain and operate, or secure that there is installed, maintained and operated, in accordance with Section L, Metering Equipment by which (in accordance with the further requirements of the Code), at the Systems Connection Point, the quantities of electricity flowing between the Systems which are connected at that point can be measured; and
- (b) register the Metering System(s) which result or will result from such installation in accordance with paragraph 2.

1.3.2 For the purposes of paragraph 1.3.1, the Party responsible for a Systems Connection Point shall be:

- (a) in the case of a Grid Supply Point, the Distribution System Operator whose System is directly connected to the Transmission System at that point;
- (b) in the case of a Distribution Systems Connection Point, the Distribution System Operator nominated in accordance with paragraph 1.3.3.

1.3.3 The Distribution System Operators whose Distribution Systems and/or Associated Distribution Systems are connected at a Distribution Systems Connection Point shall, in accordance with BSCP 20, agree between themselves and nominate which of them shall be responsible for such Systems Connection Point.

1.4 Changes in Transmission System Boundary Points and Systems Connection Points

1.4.1 The requirements of this paragraph 1.4 are to be complied with by:

- (a) the Transmission Company, in relation to Transmission System Boundary Points and Grid Supply Points;
- (b) each Distribution System Operator in relation to Distribution Systems Connection Points and any Distribution Interconnector Boundary Point on its Distribution System(s) and Associated Distribution System(s) (if any).

1.4.2 The Transmission Company and each Distribution System Operator (as applicable, in accordance with paragraph 1.4.1) shall ensure that the CRA is informed of the location of

each Transmission System Boundary Point, Systems Connection Point and Distribution Interconnector Boundary Point.

1.4.3 Where there is to be a new Transmission System Boundary Point, Systems Connection Point, or Distribution Interconnector Boundary Point, as a result of any new connection to be made to any System, or a decommissioned connection at any Transmission System Boundary Point, Systems Connection Point or Distribution Interconnector Boundary Point is to be re-energised:

- (a) the Transmission Company or the relevant Distribution System Operator(s) (as applicable, in accordance with paragraph 1.4.1) shall inform the CRA of the date from which and location at which such connection is to be made or (as the case may be) of the connection which is to be re-energised;
- (b) the CRA shall so inform BSCCo; and
- (c) the Transmission Company or the relevant Distribution System Operators shall not energise or re-energise such connection, or (as the case may be) permit such connection to be energised or reenergised, until BSCCo has confirmed to it that:
 - (i) a Party has complied with the requirements referred to in paragraph 1.2 in relation to the Transmission System Boundary Point or Distribution Interconnector Boundary Point or (as the case may be) paragraph 1.3 in relation to the Systems Connection Point, and that the Party's registrations required pursuant to those paragraphs have become effective; and
 - (ii) in the case of a Systems Connection Point, where applicable, Aggregation Rules have been submitted in accordance with Section R3.2.3(b) pursuant to which the relevant Distribution System(s) are included in a GSP Group.

1.4.4 Where a connection to the Transmission System or any Distribution System, constituting a Transmission System Boundary Point, Distribution Interconnector Boundary Point or Systems Connection Point, is to be or has been decommissioned:

- (a) the Transmission Company or the relevant Distribution System Operator(s) shall so inform the CRA;
- (b) the CRA shall so inform BSCCo.

1.5 Exemptable Generating Plant

1.5.1 Where any Party which is or is to be responsible for any Generating Plant intends to effect any registration (other than the making of an election as referred to in paragraph 1.2.2(a)(ii)(2) in the case of an SVA Metering System) or take any other step in pursuance of any provision of this Section K which applies by reason of that Generating Plant being Exemptable, subject to paragraph 1.5.7, that Party shall first provide to BSCCo details of the Generating Plant and the reasons for which the Party believes the Generating Plant to be Exemptable.

1.5.2 Within 20 Business Days after receiving any notification under paragraph 1.5.1 BSCCo shall:

- (a) take such measures as it considers appropriate to verify whether or not the Generating Plant is Exemptable, and

- (b) notify the Party of its conclusions.
- 1.5.3 The Party shall provide such further details as BSCCo may reasonably request for the purposes of such verification.
- 1.5.4 Where the Party disagrees with the conclusions of BSCCo under paragraph 1.5.2(b), that Party may refer the matter to the Panel, and the Panel shall determine whether (in its opinion) the Generating Plant is Exemptable, and notify to the Party its determination which shall be binding for the purposes of the Code subject to paragraph 1.5.5.
- 1.5.5 Within 20 Business Days after the Panel has notified its determination under paragraph 1.5.4, the Party may, if it wishes the matter to be determined by the Authority, refer to the Authority the question of whether the Generating Plant is Exemptable.
- 1.5.6 Wherever pursuant to this Section K the CRA or CDCA receives any application for or other notification of a registration or step within paragraph 1.5.1, the CRA or CDCA shall apply to BSCCo for confirmation as to whether the Generating Plant in question is Exemptable, and shall not validate or accept the same unless BSCCo has given such confirmation.
- 1.5.7 In the case of Generating Plant whose Exports are measured by SVA Metering Systems, BSCCo may:
 - (a) require the Party to provide (instead of details and reasons as referred to in paragraph 1.5.1) a certificate, signed by a director of that Party, as to the matters referred to in that paragraph (and may require the Party pursuant to Section U1.2.3 to update such certificate from time to time), and
 - (b) rely on that certificate instead of taking measures under paragraph 1.5.2.
- 1.5.8 Where:
 - (a) it has been determined in accordance with the foregoing provisions that particular Generating Plant is Exemptable, and
 - (b) at any later time BSCCo becomes aware of any change in relevant circumstances or otherwise has good reason to believe that the position may be different,

BSCCo may require that the relevant Party to comply or comply again with paragraph 1.5.1 or 1.5.7(a).

1.6 Identity of Metering Systems

- 1.6.1 The composition of Metering Systems shall be determined for the purposes of the Code in accordance with the following provisions:
 - (a) subject to paragraphs (b), (c), (d) and (e), in relation to any Site and any Party, the commissioned Metering Equipment installed for the purposes of measuring the quantities of Exports and Imports at the Boundary Point(s) (collectively) associated with that Site for which that Party is responsible is either:
 - (i) a single Metering System; or

- (ii) such greater number of Metering Systems as that Party applies (in accordance with paragraph 2) to register,

irrespective of whether all or part of the same Metering Equipment is also used to measure the quantities of Imports and/or Exports for which another Party is responsible at that Site, but subject to paragraph 2.5;

- (b) in relation to any Site with associated Interconnector Boundary Point(s), the commissioned Metering Equipment installed for the purposes of measuring the quantities of Exports and Imports at the Interconnector Boundary Point(s) (collectively) associated with that Site is either:

- (i) a single Metering System; or
- (ii) such greater number of Metering Systems as the Party who is to be the Registrant pursuant to paragraph 5.3 applies (in accordance with paragraph 2) to register;

- (c) in relation to any Site with associated Systems Connection Point(s) and any Party, the commissioned Metering Equipment installed for the purposes of measuring flows of electricity at the Systems Connection Point(s) (collectively) associated with that Site for which that Party is responsible is either:

- (i) a single Metering System; or
- (ii) such greater number of Metering Systems as that Party applies (in accordance with paragraph 2) to register,

irrespective of whether all or part of the same Metering Equipment is also used to measure the quantities of Imports and/or Exports for which another Party is responsible at that Site;

- (d) where the Metering System is or is to be registered in SMRS, the commissioned Metering Equipment installed for the purposes of measuring the quantities of Exports and Imports for which a Party is responsible at a Metering Point shall be a single Metering System (but subject to paragraph 2.5);

- (e) in relation to an Unmetered Supply, the Equivalent Meter or Profiled Unmetered Supply for the purposes of calculating the quantities of Imports and Exports for which a Party is responsible at a Metering Point shall be a single Metering System.

1.6.2 For the purposes of paragraph 1.6.1, a "Site" is:

- (a) a location containing one or more Boundary Points (other than Interconnector Boundary Point(s)) and at which there is situated:

- (i) a single Generating Plant; or
- (ii) a single set of premises; or
- (iii) any combination of one or more Generating Plants and/or sets of premises which may, in the CDCA's reasonable opinion (having regard, among other things, to their physical proximity), be considered to be managed as a single site;

- (iv) any other collection of Plant or Apparatus which the CDCA approves for these purposes (on a case by case basis) consistent with the principles in paragraphs (i), (ii) and (iii);
- (b) a location containing one or more Interconnector Boundary Points and at which there is situated a single sub-station; or
- (c) a location containing one or more Systems Connection Points and at which there is situated a single sub-station

provided that a location which satisfies more than one of paragraphs (a), (b) or (c) shall constitute a Site in respect of each of paragraphs (a), (b) and/or (c) (as the case may be) individually.

1.6.3 For the avoidance of doubt, the provisions as to the configuration of Metering Systems contained in this paragraph 1.6 are without prejudice to and shall not affect the rules as to the configuration of BM Units as set out in paragraph 3.1.

1.7 Line Loss Factors

1.7.1 Each Licensed Distribution System Operator, or such other person as the Panel may agree, shall establish and submit to the Panel in accordance with BSCP 28 (for CVA Metering Systems) and BSCP 528 (for SVA Metering Systems) Line Loss Factors applying in respect of each Metering System on its Distribution System(s) and Associated Distribution System(s) (if any).

1.7.2 Line Loss Factors may be established for a single Metering System or for a class (of a description specified by the Licensed Distribution System Operator) of Metering System.

1.7.3 Line Loss Factors shall be subject to the approval of the Panel.

1.7.4 If for any relevant Metering System the Panel does not approve the Line Loss Factors submitted by the Licensed Distribution System Operator:

- (a) the Panel shall so inform the relevant Licensed Distribution System Operator; and
- (b) that Licensed Distribution System Operator shall re-submit Line Loss Factors for the relevant Metering System to the Panel.

1.7.5 Where at any time in relation to a Metering System:

- (a) no Line Loss Factors have at any time been submitted or approved; or
- (b) previously approved Line Loss Factors have expired and no new Line Loss Factors have been submitted or approved in accordance with paragraph 1.7.1,

then a default value established in accordance with BSCP 28 (for CVA Metering Systems) or BSCP 528 (for SVA Metering Systems) shall be applied as the Line Loss Factor until such time as the Licensed Distribution System Operator submits a set or a new set (as the case may be) of Line Loss Factors for the relevant Metering System which are approved by the Panel, whereupon the new approved Line Loss Factors shall be applied to the relevant Metering System for the period to which they relate (but excluding periods prior to the date of such approval) in accordance with BSCP 28 (for CVA Metering Systems) or BSCP 528 (for SVA Metering Systems).

1.7.6 For the avoidance of doubt, in relation to a Metering System at a Boundary Point on a Distribution System which is not directly connected to the Transmission System, the relevant Licensed Distribution System Operator shall submit a Line Loss Factor which, when applied to data relating to such Metering System, converts such data into a value at the Transmission System Boundary, that is to say including distribution losses both on its Distribution System and any other Distribution System by which it is indirectly connected to the Transmission System.

1.8 Establishment of Groups of GSPs

1.8.1 The Grid Supply Point(s) which are comprised in a Group of GSPs shall be:

- (a) both
 - (i) subject to paragraph (b), the Grid Supply Point(s) by reference to which the relevant GSP Group was established as at 1 August 2003; ~~or~~ and
 - (ii) subject to paragraph (b), from the BETTA Effective Date, the Grid Supply Points which were known as Bulk Supply Points under the SAS and fell into groups of Bulk Supply Points known as, respectively, North Scotland P and South Scotland N and which have been registered pursuant to BDTP 25; or
- (b) such other Grid Supply Point(s) as the Panel may determine in accordance with the further provisions of this paragraph 1.8.

1.8.2 The Panel may determine a revision of the Grid Supply Points comprised in a Group of GSPs (including the establishment of a new Group of GSPs):

- (a) where there is a new Grid Supply Point or an existing Grid Supply Point is decommissioned; or
- (b) where, in the Panel's opinion, it is appropriate (having regard, among other things, to the matters in paragraph 1.8.3) to do so:
 - (i) as a result of developments of or in relation to the Distribution systems for the time being comprised in any GSP Group, and/or the associated Distribution Systems Connection Points;
 - (ii) in other circumstances in the Panel's sole discretion.

1.8.3 In determining any revision of the Grid Supply Points to be comprised in a Group of GSPs the Panel shall have regard, among other things, to:

- (a) the effect of geographic factors taken into account in establishing Daily Profile Coefficients in relation to a GSP Group for the purposes of Supplier Volume Allocation;
- (b) the effect of the size of a GSP Group (that is, the numbers of Half Hourly and Non Half Hourly Metering Systems at Boundary Points in the GSP Group) on GSP Group Correction Factors for the purposes of Supplier Volume Allocation;
- (c) the effect of the proximity (in terms of electrical connection) of Boundary Points on the value to the Transmission Company (in the operation of the Transmission Company) of Physical Notifications and Bid-Offer Pairs submitted in relation to Supplier BM Units.

- 1.8.4 Before making any revision of the Grid Supply Points to be comprised in a Group of GSPs the Panel shall consult with the Authority, the Transmission Company, the Distribution System Operators of all Distribution Systems comprised or to be comprised in relevant GSP Groups, and all Suppliers.

2. REGISTRATION OF METERING SYSTEMS

2.1 Registration in CMRS

2.1.1 A Boundary Point Metering System shall be registered in CMRS where:

- (a) the Metering Equipment measures quantities of Imports to or Exports from Plant or Apparatus which is directly connected to the Transmission System; or
- (b) the Metering Equipment measures quantities of Imports to or Exports from a Licensable Generating Plant; or
- (c) the Metering Equipment measures quantities of Imports to or Exports from an Interconnector; or
- (d) the Panel has determined, upon the application of any Party, that there are special circumstances by reason of which such Metering System should be registered in CMRS.

2.1.2 Without prejudice to paragraph 2.1.1, a Boundary Point Metering System may be registered in CMRS where the Metering Equipment measures quantities of Exports, or Exports and Imports, at the Site of an Exemptable Generating Plant.

2.1.3 A Systems Connection Point Metering System shall be registered in CMRS.

2.1.4 A Metering System may not be registered in CMRS except pursuant to paragraph 2.1.1, 2.1.2 or 2.1.3.

2.1.5 A Metering System may not be registered in CMRS and SMRS at the same time.

2.1.6 There may only be one Registrant of a CVA Metering System at any one time.

2.2 Registration requirements

2.2.1 A Party may apply to register a Metering System in CMRS by submitting a registration application to the CRA specifying:

- (a) the identity of the applicant Party;
- (b) the Metering System;
- (c) the Meter Operator Agent appointed or to be appointed in accordance with Section J6.1; and
- (d) the date with effective from which the applicant wishes the registration to be effective.

2.2.2 An application to register a Metering System in CMRS shall be made in accordance with and subject to BSCP 20.

- 2.2.3 The CRA will validate and process the registration application in accordance with BSCP 20.
- 2.2.4 The following requirements are conditions to a registration of a Metering System in CMRS being effective:
- (a) the CRA has been informed of the relevant Boundary Point or Systems Connection Point under paragraph 1.4;
 - (b) the Metering Equipment has been installed and commissioned in accordance with Section L;
 - (c) a Meter Operator Agent has been appointed and registered in accordance with Section J;
 - (d) Meter Technical Details and Aggregation Rules have been submitted to and validated by the CDCA under Section R;
 - (e) in the case of a Distribution Systems Connection Point, one of the Distribution System Operators has been nominated in accordance with paragraph 1.3.3;
 - (f) in the case of an Interconnector, an Interconnector Administrator and Interconnector Error Administrator have been appointed in accordance with paragraph 5;
 - (g) where the applicant is not the Equipment Owner, the consent of the Equipment Owner has been obtained;
 - (h) (subject to paragraph 5 in relation to Interconnector BM Units) the registrations pursuant to paragraph 3 by the Party of the BM Unit(s) associated with such Metering System (and cancellation or reconfiguration of any existing BM Units by any other Party pursuant to paragraph 3.6.3) are, but for satisfaction of any condition in paragraph 3 as to the effective registration of such Metering System, effective.
- 2.2.5 Registration of a Metering System in CMRS will become effective on and from the later of:
- (a) the date specified by the applicant pursuant to paragraph 2.2.1(d); and
 - (b) the day following that on which (in accordance with BSCP 20):
 - (i) the CRA has confirmation that all the requirements listed in paragraph 2.2.4 have been satisfied (and, for these purposes, the CDCA shall provide the CRA with the necessary confirmation, where applicable); and
 - (ii) the Registrant's Party Registration Data have been registered in accordance with Section A.
- 2.2.6 The Registrant of a CVA Metering System shall, in accordance with BSCP 20, keep its registration up-to-date, by notifying the CRA or CDCA (as applicable) of any change in any of the details contained in the registration, promptly upon any such change occurring.

2.3 Withdrawal of registration in CMRS

2.3.1 The Registrant of a CVA Metering System shall continue to be the Registrant until and unless:

- (a) the associated Plant and Apparatus is disconnected in accordance with the relevant Connection Agreement and the Metering System is de-registered in accordance with BSCP 20;
- (b) where permitted under paragraph 2.1, the Metering System becomes registered in SMRS in accordance with paragraph 2.4; or
- (c) the Registrant withdraws from the registration in accordance with the further provisions of this paragraph 2.3.

2.3.2 A Party may withdraw as Registrant of a CVA Metering System if and only if another Party (the "**new registrant**"), which is or will (at the effective date of withdrawal) be responsible for Imports and/or Exports to or from the relevant Plant and Apparatus, applies (in accordance with paragraph 2.2) for registration and becomes the Registrant of the CVA Metering System.

2.3.3 The new registrant shall comply with the provisions of paragraph 2.2 in respect of registration and with the further provisions of BSCP 20 in respect of a change of registrant.

2.3.4 Where a Registrant ceases or will cease to be the Party responsible for Exports or Imports measured by a CVA Metering System, it shall (subject to paragraph 2.3.2) withdraw from, and consent to the new registrant's application for, registration in respect of the Metering System.

2.3.5 A change of registrant shall be effective, and the withdrawing Party shall cease to be Registrant of the CVA Metering System, conditional upon, and with effect on and from, the new registrant's registration becoming effective in accordance with paragraph 2.2 and the withdrawing Party's cancellation or reconfiguration of BM Units pursuant to paragraph 3.6.2 becoming effective.

2.3.6 A Party shall not be released, by reason of ceasing to be Registrant of a CVA Metering System, from any accrued liabilities as Registrant or (as Lead Party in respect of the associated BM Unit) in Settlement.

2.4 Registration in SMRS

2.4.1 Subject to paragraph 2.4.2, where a Boundary Point Metering System is not permitted to be, or (if it is permitted, but not obliged) is not, registered in CMRS, the Metering System shall be registered in SMRS; and the responsible Party shall be deemed to comply with the requirement in paragraph 1.2.1(b) by complying with the further requirements of this paragraph 2.4 and of the Code relating to registration in SMRS.

2.4.2 Only a Supplier may comply with the requirement in paragraph 1.2.1(b) pursuant to paragraph 2.4.1.

2.4.3 Where a Supplier intends:

- (a) to supply electricity, or
- (b) to receive Export Active Energy from a Third Party Generator,

measured by a Metering System which is or is to be registered in SMRS, the Supplier shall, in accordance with BSCP 501:

- (i) inform that SMRA of its intention;
- (ii) provide that SMRA with the appropriate information; and
- (iii) inform that SMRA from time to time of any changes to that information.

2.4.4 Section S sets out further requirements applying to each SMRA in relation to SMRS.

2.4.5 The provisions of Annex K-1 (as to the Master Registration Agreement) shall apply.

2.4.6 Where a Supplier is to be the first Registrant in SMRS of a Non Half Hourly Metering System at a new Boundary Point, and the Supplier is not the Equipment Owner, the Supplier shall obtain (directly, or indirectly through its authorised Meter Operator Agent) the consent of the Equipment Owner to such registration.

2.5 Shared SVA Meter Arrangements

2.5.1 Subject to and in accordance with this paragraph 2.5 and the further provisions of the Code, two or more Suppliers may make an arrangement (a "**Shared SVA Meter Arrangement**") under which there is a single SVA Metering System for Exports or Imports (from or to the same Plant and Apparatus) for which the two or more Suppliers are responsible.

2.5.2 A Shared SVA Meter Arrangement may be made only:

- (a) in relation to a SVA Metering System comprising Half Hourly Metering Equipment; and
- (b) in relation to Exports or (as the case may be) Imports for which the two or more Suppliers are responsible (and not in relation to a combination of Exports and Imports but without prejudice to paragraph 2.5.4(c)(ii)); and
- (c) between no more than the maximum number of Suppliers in relation to a SVA Metering System as may from time to time be determined and published by BSCCo in accordance with the procedures set out in BSCP 550 (and, where a maximum number is so specified, references in the Code to two or more Suppliers under a Shared SVA Meter Arrangement are subject to such maximum limit).

2.5.3 A Shared SVA Meter Arrangement shall be made, and related information submitted, maintained and updated, in accordance with and subject to the provisions of BSCP 550.

2.5.4 Where Suppliers make a Shared SVA Meter Arrangement:

- (a) the Suppliers shall ensure that each is informed of each other's identity by the SVA Customer or (as the case may be) SVA Generator;
- (b) the Suppliers shall agree which of them is to act as primary Supplier for the purposes of the Code, failing which the Panel shall nominate one of them to act as primary Supplier;
- (c) each Supplier shall:

- (i) register the Shared SVA Metering System in the SMRS with a different SVA Metering System Number, for which each Supplier shall be respectively responsible;
 - (ii) where the Supplier is the variable supplier as referred to in paragraph 3.5.5 of Annex S-2, register the Shared SVA Metering System in the SMRS with two different SVA Metering System Numbers (one classed as import and the other as export in accordance with BSCP 550), for which such Supplier is responsible;
 - (iii) inform the SMRA if at any time it ceases to be responsible for the Shared SVA Metering System, provided that:
 - (1) all such Suppliers may not cease to be so responsible at the same time unless the relevant SVA Metering System is disconnected at that time or another Supplier or Suppliers assume responsibility for that Metering System in accordance with the provisions of the Code with effect from the time when all such Suppliers cease to be so responsible; and
 - (2) where a Supplier ceases to be so responsible as a result of another Supplier assuming such responsibility, that other Supplier (rather than the Supplier ceasing to be so responsible) shall inform the SMRA;
 - (iv) maintain and update the information in that SMRS for which it is responsible;
- (d) the Primary Supplier shall ensure that an Allocation Schedule and the associated rules for application and maintenance of the Allocation Schedule are established and submitted in accordance with BSCP 550.

2.5.5 In connection with any Shared SVA Meter Arrangement, the Primary Supplier shall:

- (a) ensure (in accordance with Section J4.1.4) that only one Meter Operator Agent and one Data Collector is appointed for the Shared SVA Metering System;
- (b) request the SMRA to provide (for the purposes of paragraph 2.5.4(c)(i) and, where applicable, paragraph 2.5.4(c)(ii)) SVA Metering System Number(s) for the Shared SVA Metering System;
- (c) notify the Secondary Supplier(s) of their SVA Metering System Number(s);
- (d) promptly inform the Secondary Supplier(s) of any changes to information for which the Primary Supplier is solely responsible in relation to the Shared SVA Metering System;
- (e) ensure that each Secondary Supplier has equal access, for so long as the Secondary Supplier remains a Secondary Supplier in respect of the Shared SVA Metering System, to the data recorded by the relevant Metering Equipment;
- (f) be the Party responsible for submitting the initial Allocation Schedule and any subsequent Allocation Schedules to the Half Hourly Data Collector and the Secondary Supplier(s);

- (g) where the initial or any subsequent Allocation Schedule specifies an amount of energy to be employed by way of fixed block or multiple fixed block in accordance with BSCP 550, estimate and notify to the Half Hourly Data Collector the maximum output or consumption capacity (as the case may be) of the Plant or Apparatus associated with the Shared SVA Metering System (expressed in MWh per Settlement Period), and revise such estimate from time to time, in each case in accordance with BSCP 550.
- 2.5.6 Where a Secondary Supplier ceases to be a Secondary Supplier in respect of a Shared SVA Metering System and is not replaced by a new Secondary Supplier in accordance with BSCP 550 and no other Secondary Suppliers form part of the Shared SVA Meter Arrangement:
- (a) the SVA Metering System shall cease to be the subject of a Shared SVA Meter Arrangement;
 - (b) the Primary Supplier shall assume sole responsibility for such Metering System; and
 - (c) the SMRA shall be requested to mark the SVA Metering System Number of the Secondary Supplier as disconnected.
- 2.5.7 Where a Secondary Supplier ceases to be a Secondary Supplier in respect of a Shared SVA Metering System and is not replaced by a new Secondary Supplier in accordance with BSCP 550 but other Secondary Suppliers still form part of the Shared SVA Meter Arrangement:
- (a) the Primary Supplier shall ensure that a subsequent Allocation Schedule is submitted; and
 - (b) the SMRA shall be requested to mark the relevant SVA Metering System Number(s) of the Secondary Supplier as disconnected.
- 2.5.8 Where the Primary Supplier ceases to be the Primary Supplier and is not replaced by a new Primary Supplier in accordance with BSCP 550 and there is only one Secondary Supplier which forms part of the Shared SVA Meter Arrangement:
- (a) the SVA Metering System shall cease to be the subject of a Shared SVA Meter Arrangement;
 - (b) the Secondary Supplier shall assume sole responsibility for such Metering System; and
 - (c) the Secondary Supplier shall request the SMRA to mark its SVA Metering System Number as disconnected and to register the Secondary Supplier as the Registrant of such Metering System with the SVA Metering System Number previously assigned to such Primary Supplier.
- 2.5.9 Where the Primary Supplier ceases to be the Primary Supplier and is not replaced by a new Primary Supplier in accordance with BSCP 550 and there is more than one Secondary Supplier which form part of the Shared SVA Meter Arrangement:
- (a) the SVA Metering System shall continue to be the subject of a Shared SVA Meter Arrangement;
 - (b) the Secondary Suppliers shall agree which of them is to act as Primary Supplier, failing which the Panel shall nominate one of them to act as Primary Supplier;

- (c) the Secondary Supplier which assumes the role of Primary Supplier shall:
 - (i) ensure that a subsequent Allocation Schedule is submitted; and
 - (ii) request the SMRA to mark its Secondary SVA Metering System Number(s) as disconnected and to register it with the SVA Metering System Number previously assigned to the Primary Supplier.

2.5.10 This paragraph 2.5 shall apply on a Supplier ID basis (and a Supplier may be party to a Shared SVA Meter Arrangement in the capacities of its Supplier IDs) and its provisions shall be construed accordingly.

2.6 Transfer of Registration between CMRS and SMRS

2.6.1 A Party which is or is to be the Registrant of a Metering System in CMRS may transfer the registration to SMRS, and a Party which is or is to be the Registrant of a SVA Metering System in SMRS may transfer the registration to CMRS, subject to and in accordance with this paragraph 2.6; and in this paragraph such a transfer is referred to as a "**Registration Transfer**".

2.6.2 A Registration Transfer:

- (a) may only be made where the Metering System is eligible (in accordance with this paragraph 2) to be registered in both CMRS and SMRS;
- (b) shall be made by (and effective from) registration in CMRS or (as the case may be) SMRS at the same time as withdrawal from registration in the other.

2.6.3 A Registration Transfer shall be made in accordance with and subject to BSCP 68.

2.6.4 For the avoidance of doubt, a Registration Transfer may be made in parallel with an application for a change of Registrant and, subject to compliance with this paragraph 2.6 and with paragraphs 2.3 and 2.4, a Registration Transfer may become effective on the same day as a change of Registrant.

3. CONFIGURATION AND REGISTRATION OF BM UNITS

3.1 Configuration of BM Units

3.1.1 Subject to paragraph 3.3 and paragraph 5, a BM Unit shall comprise Plant or Apparatus or a combination of Plant and/or Apparatus for whose Exports and/or Imports a Party is responsible.

3.1.2 Subject to paragraphs 3.1.4 and 3.1.6(d), a BM Unit must satisfy the following conditions:

- (a) only one Party is responsible for the Exports and/or Imports from or to the Plant and/or Apparatus which is comprised in the BM Unit;
- (b) the Exports and/or Imports of electricity from and to the Plant and/or Apparatus comprised in the BM Unit are capable of being controlled independently of the Exports or Imports of electricity from or to any Plant or Apparatus which is not comprised in the BM Unit, provided that this shall not apply to the extent to which such Imports are measured by Metering Systems which are part of a Teleswitch Group;

- (c) on the basis of:
- (i) the provisions of the Code as to Volume Allocation, and any options or entitlements which the responsible Party has exercised or intends to exercise pursuant to those provisions, and
 - (ii) the Metering Equipment which is or is to be installed pursuant to Section L

the quantities (in aggregate) of electricity Exported and Imported in each Settlement Period from or to the Plant and Apparatus comprised in the BM Unit are or will be determined (in accordance with the provisions of the Code as to Volume Allocation) and submitted to the SAA for the purposes of Settlement separately from any quantities Exported or Imported from or to any Plant and Apparatus which is not comprised in the BM Unit;

- (d) the BM Unit does not comprise Plant and Apparatus whose Imports and Exports are measured by both CVA Metering System(s) and SVA Metering System(s); and
- (e) there are no smaller aggregations of the Plant and Apparatus comprised in the BM Unit, for each of which the conditions in paragraphs (a), (b) and (c) would be satisfied.

3.1.3 The same Plant and Apparatus may be comprised in more than one BM Unit only to the extent that different persons are responsible for the Exports from and the Imports to such Plant and Apparatus.

3.1.4 Subject to paragraph 3.1.6 each of the following shall be a single BM Unit, and (except where paragraph 3.1.5 applies) shall be deemed to satisfy the requirements in paragraph 3.1.2:

- (a) any Generating Unit or CCGT Module for whose Exports the Metering System(s) is or are registered in CMRS;
- (b) the Plant and Apparatus which comprises part of, and which Imports electricity through the station transformer(s) of, a Generating Plant, where the Metering System(s) for such Imports is or are registered in CMRS;
- (c) premises (of a Customer supplied by a Party) which are directly connected to the Transmission System, provided that such premises are so connected at one Boundary Point only;
- (d) an Interconnector BM Unit, in accordance with paragraph 5;
- (e) a Base BM Unit or an Additional BM Unit, in accordance with paragraph 3.3.2; and
- (f) any configuration of Plant and Apparatus set out in Table A in Annex I-2.

3.1.5 Paragraph 3.1.6 applies in any case where (pursuant to this Section K) one or more BM Units are required to be established, comprising particular Plant and/or Apparatus (the "relevant" Plant and Apparatus), if:

- (a) the relevant Plant and Apparatus does not fall into a category listed in paragraph 3.1.4;

- (b) the relevant Plant and Apparatus does fall into such a category, but the responsible Party considers that a different configuration would satisfy the requirements in paragraph 3.1.2;
- (c) the CDCA or CRA considers that there is a reasonable doubt as to whether the relevant Plant and Apparatus falls into a category listed in paragraph 3.1.4; or
- (d) (except in the case of an Interconnector) the relevant Plant and Apparatus Exports or Imports at a CVA Boundary Point at which there are other Exports or Imports for which another person is responsible (whether or not the relevant Plant and Apparatus falls into a category listed in paragraph 3.1.4).

3.1.6 In any case where this paragraph 3.1.6 applies:

- (a) the responsible Party and/or the CDCA or CRA shall refer the question of the establishment of the BM Unit(s) to the Panel;
- (b) the Panel shall determine, taking into account any representations of the Party responsible for the relevant Exports and/or Imports, and after consulting the Transmission Company, what configuration of the relevant Plant and Apparatus into BM Unit(s) will best satisfy the requirements in paragraph 3.1.2;
- (c) where the Panel considers that no such configuration will satisfy such requirements, the Panel shall determine a configuration of the relevant Plant and Apparatus into BM Unit(s) which in the Panel's opinion most nearly achieves the objectives which are reflected in the requirements in paragraph 3.1.2;
- (d) the determination of the Panel as to the configuration of the relevant Plant and Apparatus into BM Unit(s) shall be final and binding.

3.1.7 BSCCo shall keep a copy of all determinations made by the Panel pursuant to paragraph 3.1.6 and any decision regarding a BM Unit set out in Table A in Annex I-2 and shall make such determinations and/or decisions available to any Party upon request.

3.2 Registration of BM Units

3.2.1 Each Party shall ensure that all Plant and Apparatus, for whose Exports and/or Imports it is responsible, is comprised in BM Units established and registered by it in compliance with this paragraph 3.

3.2.2 The further provisions of this paragraph 3.2 shall only apply to BM Units comprising Plant and/or Apparatus, for whose Exports and/or Imports a Party is responsible, measured by CVA Metering Systems.

3.2.3 A Party may apply to register a BM Unit by submitting a registration application to the CRA specifying:

- (a) the identity of the applicant Party;
- (b) the date from which the applicant wishes the registration to be effective;
- (c) the estimated amounts referred to in paragraph 3.4.1 (for the purposes of establishing the Generation Capacity and the Demand Capacity) for the proposed BM Unit;
- (d) the CVA Metering Systems associated with the proposed BM Unit.

- 3.2.4 An application to register a BM Unit shall be made in accordance with and subject to BSCP 15.
- 3.2.5 The CRA (after consultation with BSCCo and the CDCA) will validate (as to compliance with paragraph 3.2.6 and otherwise) and process the registration application in accordance with BSCP 15.
- 3.2.6 The following requirements are conditions to a registration of a BM Unit being effective:
- (a) the BM Unit is configured in accordance with the requirements of paragraph 3.1;
 - (b) subject to paragraph 5 (in relation to Interconnector BM Units), the registration(s) pursuant to paragraph 2 of the CVA Metering System(s) associated with such BM Unit are, but for satisfaction (where applicable) of any condition in paragraph 2 as to the effective registration of such BM Unit, effective;
 - (c) the estimated amounts (for the purposes of establishing the Generation Capacity and Demand Capacity) for the BM Unit have been notified to the CRA in accordance with paragraph 3.4.2(a);
 - (d) Aggregation Rules for such BM Unit have been submitted to and validated by the CDCA under Section R; and
 - (e) a Credit Assessment Load Factor has been allocated to the BM Unit in accordance with Section M1.5.
- 3.2.7 Registration of a BM Unit will become effective, and the applicant will become the Lead Party of that BM Unit, on and from the later of:
- (a) the date specified by the applicant pursuant to paragraph 3.2.3(b); and
 - (b) the day following that on which (in accordance with BSCP 15) BSCCo confirms to the CRA that all of the requirements (including those in paragraph 3.2.6) specified for such effectiveness in that BSC Procedure have been satisfied.
- 3.2.8 The Lead Party for a BM Unit shall, in accordance with BSCP 15, keep its registration up-to-date, by notifying the CRA of any change in any of the details contained in the registration, promptly upon any such change occurring.

3.3 Supplier BM Units

3.3.1 Each Supplier shall:

- (a) automatically be registered as holding one BM Unit for each GSP Group, irrespective of whether it has any Registered SVA Metering Systems in the GSP Group (and, for the purposes of this paragraph (a), a Party shall be deemed to have applied for such registrations upon applying to register itself as a Supplier pursuant to Section A4); and
- (b) notify the estimated amounts (for the purposes of establishing the Generation Capacity and Demand Capacity) for each such BM Unit in accordance with paragraph 3.4.2(a) at or before the registration of such BM Unit, provided that if such Supplier fails to notify such amounts as required by this paragraph (b), it

shall be deemed to have notified a value of zero for each such amount (but without prejudice to paragraph 3.4.2(c)).

- 3.3.2 In addition, a Supplier may apply to register a BM Unit associated with a GSP Group by giving notice to the CRA specifying:
- (a) the identity of the Supplier;
 - (b) the GSP Group with which the BM Unit is to be associated;
 - (c) the date with effect from which the BM Unit is to be established;
 - (d) the estimated amounts referred to in paragraph 3.4.1 (for the purposes of establishing the Generation Capacity and the Demand Capacity) for the proposed BM Unit.
- 3.3.3 Application for registration of a BM Unit pursuant to paragraph 3.3.2 shall be made in accordance with and subject to BSCP 15, and the registration shall be effective, and the Supplier will become the Lead Party of that BM Unit, on the later of:
- (a) the date specified by the applicant pursuant to paragraph 3.3.2(c); and
 - (b) the date when registration is confirmed by BSCCo to the CRA in accordance with BSCP 15.
- 3.3.4 The CRA shall validate and process applications for registration of a Supplier BM Unit in accordance with and subject to BSCP 15.
- 3.3.5 For any Supplier and any GSP Group, the "**Base BM Unit**" is the Supplier BM Unit which was registered for the Supplier pursuant to paragraph 3.3.1, and each other Supplier BM Unit is an "**Additional BM Unit**".
- 3.3.6 A Supplier may not cancel or withdraw from the registration of a Base BM Unit while he remains a Supplier.
- 3.3.7 A Supplier may assign the Plant and Apparatus associated with particular SVA Metering Systems (of which it is Registrant) in any GSP Group to any Additional BM Unit registered by it for that GSP Group, subject to the conditions set out in and in accordance with the provisions of Section S6.
- 3.3.8 All of the Plant and Apparatus associated with a Supplier's Registered SVA Metering Systems in a GSP Group which are not for the time being assigned to an Additional BM Unit shall be comprised in its Base BM Unit for that GSP Group.
- 3.3.9 Where the SVA Metering System(s) associated with Plant and/or Apparatus for the time being assigned to a Supplier BM Unit are part of the same Teleswitch Group or Groups which includes SVA Metering Systems of which the Supplier is not the Registrant:
- (a) the Supplier may in accordance with BSCP 15 designate the Supplier BM Unit as a Joint BM Unit by notice to the CRA specifying the relevant Teleswitch Group(s) and teleswitched Standard Settlement Configuration(s);
 - (b) the CRA shall validate such designation in accordance with BSCP 15;
 - (c) such designation will become effective with effect from the later of the date specified in such notice by the Supplier for such effectiveness and the day following that on which BSCCo has confirmed to the CRA that all of the

requirements specified for such effectiveness in that BSC Procedure have been satisfied.

3.3.10 The Lead Party for a Supplier BM Unit shall, in accordance with BSCP 15, keep its registration up-to-date, by notifying the CRA of any change in any of the details contained in the registration, promptly upon any such change occurring.

3.3.11 This paragraph 3.3 shall apply on a Supplier ID basis and its provisions shall be construed accordingly, and:

- (a) a Supplier will be registered under paragraph 3.3.1 in respect of each of its Supplier IDs as holding one BM Unit for each GSP Group (and accordingly will hold a set of Base BM Units for each of its Supplier IDs); and
- (b) a Supplier:
 - (i) holding one Supplier ID may not cancel or withdraw from the registration of a Base BM Unit relating to that Supplier ID while the Supplier remains a Supplier;
 - (ii) holding more than one Supplier ID may cancel and withdraw from the registration of the set of Base BM Units relating to an additional Supplier ID:
 - (A) provided the Supplier has no Registered SVA Metering Systems with the additional Supplier ID in any GSP Group;
 - (B) following which cancellation and withdrawal the Supplier shall no longer hold, for the purposes of the Code, the additional Supplier ID.

3.3A Exempt Export BM Units

3.3A.1 A Supplier BM Unit shall not be classified as an Exempt Export BM Unit unless (disregarding paragraph 3.1.4(e)) the BM Unit would, if the Metering System(s) comprised in the BM Unit were CVA Metering Systems, satisfy the requirements in paragraph 3.1.2, for which purposes paragraph 3.1.6 shall apply as if the question referred to therein were whether the configuration of Plant and Apparatus comprised in the BM Unit satisfies (or best satisfies) those requirements.

3.4 Demand Capacity and Generation Capacity

3.4.1 The Lead Party of a BM Unit shall estimate and notify to the CRA, in relation to each BSC Season in each year (the "**relevant**" BSC Season), from time to time in accordance with paragraph 3.4.2, in good faith and as accurately as it reasonably can, what will be the maximum magnitude:

- (a) of the positive value of QM_{ij} (subject to paragraph 3.4.4) for the BM Unit in the relevant BSC Season; and
- (b) of the negative value of QM_{ij} (subject to paragraph 3.4.4) for the BM Unit in the relevant BSC Season,

provided that (in either case) if there is none, the value to be notified by the Lead Party shall be zero.

- 3.4.2 The Lead Party shall estimate and notify to the CRA amounts under paragraph 3.4.1:
- (a) initially, at the time of registration of the BM Unit under paragraph 3.2 or 3.3;
 - (b) not later than the time specified in BSCP 15 in the BSC Season preceding the relevant BSC Season; and
 - (c) within such period after the criteria set out in paragraph 3.4.3 have been met as is specified in paragraph 3.4.5.
- 3.4.2A The Lead Party of a Supplier BM Unit may, up to twice in each BSC Season, (subject to paragraph 3.4.4), also estimate and notify to the CRA increases in the maximum magnitude of the negative value of QM_{ij} divided by SPD where the Lead Party becomes aware of or believes in good faith that such value will become greater than DC for the remainder of the BSC Season.
- 3.4.3 The criteria referred to in paragraph 3.4.2(c) are that, for any Settlement Period in the relevant BSC Season, or (as the case may be) the remainder of the relevant BSC Season following a revised estimate notified in accordance with paragraph 3.4.2A:
- (a) the positive value of QM_{ij} (subject to paragraph 3.4.4) for the BM Unit divided by SPD exceeds or the Lead Party becomes aware or believes in good faith that such value will exceed GC by an amount which is more than one or both of the following:
 - (i) 0.5MW; or
 - (ii) 1% of GC;
 - (b) the negative value of QM_{ij} (subject to paragraph 3.4.4) with the maximum magnitude for the BM Unit divided by SPD is less than or the Lead Party becomes aware or believes in good faith that such value will be less than DC by an amount the magnitude of which is more than one or both of the following:
 - (i) 0.5MW;
 - (ii) 1% of the magnitude of DC.
- 3.4.4 For the purposes of paragraphs 3.4.1(a) and (b), 3.4.2A and 3.4.3(a) and (b), any part of the BM Unit Metered Volume which is delivered or taken or which the Lead Party reasonably believes will be delivered or taken by the Plant or Apparatus associated with that BM Unit in response to an Emergency Instruction (issued pursuant to Balancing Code 2.9 of the Grid Code) shall be disregarded.
- 3.4.5 In respect of a relevant BSC Season, a revised estimate of the amount referred to in paragraph 3.4.1(a) or (b), shall be notified pursuant to paragraph 3.4.2(c) as soon as reasonably practicable after the Lead Party becomes aware that, or ought reasonably to have become aware that the criteria referred in paragraphs 3.4.3(a) or 3.4.3(b) (as the case may be) have been met, provided that the Lead Party shall have no obligation to submit a revised estimate of any such amount more than 20 Business Days after the Initial Settlement Run in respect of the last Settlement Period in that BSC Season has occurred.
- 3.4.6 In relation to a BM Unit, any revised estimates notified pursuant to paragraph 3.4.2(c) and 3.4.2A shall take effect in accordance with and from the time specified in BSCP 15 and, for the avoidance of doubt, any such revision shall:
- (a) in relation to the calculations undertaken by the SAA:

- (i) not affect or result in the redetermination or recalculation of any values determined or calculated by the SAA under the Code which are determined or calculated in relation to Settlement Periods which fell in the period prior to the effective date of such revision;
- (ii) be used in the determination or calculation of values determined or calculated by the SAA under the Code which are determined or calculated in relation to Settlement Periods which fall in the period on and after the effective date of such revision,

and paragraph 3.5 shall be construed accordingly;

- (b) in relation to the contribution to the calculation of Energy Indebtedness for such BM Unit undertaken by the ECVA:

 - (i) not result in the recalculation of Energy Indebtedness calculated in relation to Settlement Periods which fell in the period prior to the effective date of such revision;
 - (ii) be used in the calculation of Energy Indebtedness calculated in relation to Settlement Periods which fall in the period on and after the effective date of such revision,

and in either case, without prejudice to Section H3, the failure by a Party to notify any revised amounts in accordance with paragraph 3.4.2(c) may not give rise to any Trading Dispute.

3.4.7 The Panel may, and upon the reasonable request of the Transmission Company will, review any estimate made by a Party under paragraph 3.4.1; and if so requested by the Panel in connection with any such review:

- (a) the Transmission Company or any Distribution System Operator will provide reasonable information to the Panel relevant to a review of any estimate under paragraph 3.4.1, and
- (b) the Lead Party will:
 - (i) provide to the Panel reasonable information to justify its prevailing estimates of the amounts under paragraph 3.4.1, and
 - (ii) re-estimate such amounts after discussion with the Panel.

3.4.8 Subject to paragraph 5.6, for each BM Unit, at any time:

- (a) the "**Generation Capacity**" or "**GC**" shall be the amount determined as:

G / SPD

where G is the value under paragraph 3.4.1(a) most recently notified in relation to the relevant BSC Season under paragraph 3.4.2;

- (b) the "**Demand Capacity**" or "**DC**" shall be the amount determined as:

D / SPD

where D is the value under paragraph 3.4.1(b) most recently notified in relation to the BSC Season under paragraphs 3.4.2 or 3.4.2A (as the case may be);

- (c) the "**Relevant Capacity**" is:
 - (i) if $GC_i + DC_i$ is greater than zero, GC_i ;
 - (ii) otherwise, DC_i .

3.4.9 For the purposes of this paragraph 3.4:

- (a) a "**BSC Season**" shall be as follows:
 - (i) BSC Spring shall be 1st March to 31st May inclusive;
 - (ii) BSC Summer shall be 1st June to 31st August inclusive;
 - (iii) BSC Autumn shall be 1st September to 30th November inclusive;
and
 - (iv) BSC Winter shall be 1st December to 28th (or 29th, as the case may be) February inclusive

provided that the first relevant BSC Season shall be the period from the Go-live Date to the end of the next following BSC Season;

- (b) a year means any period of 12 months.

3.5 Trading Units and Production and Consumption BM Units

3.5.1 A BM Unit shall be classified as a "Production" or a "Consumption" BM Unit (the applicable such classification at any time being referred to as the "**P/C Status**" of a BM Unit).

3.5.2 Subject to paragraph 3.5.4, 3.5.5 and 3.5.6, a BM Unit shall be a Production BM Unit where it belongs to a Trading Unit for which the sum of the Relevant Capacities, for all BM Units which belong to that Trading Unit, is positive and greater than zero; and otherwise shall be a Consumption BM Unit.

3.5.3 The P/C Status of a BM Unit shall be redetermined on each occasion on which:

- (a) the BM Unit joins or leaves a Trading Unit;
- (b) another BM Unit joins or leaves the Trading Unit to which the BM Unit belongs; or
- (c) there is any change in the Demand Capacity or Generation Capacity of any of the BM Units which belong to that Trading Unit.

3.5.4 In accordance with paragraph 5, the P/C Status of an Interconnector BM Unit will not change at any time.

3.5.5 In the case of an Exempt Export BM Unit, irrespective of the Trading Unit to which the BM Unit belongs, the Lead Party may from time to time elect, by notice to BSCCo and the CRA, whether the P/C Status of the BM Unit is to be Production or Consumption, provided that:

- (a) no such election shall be effective until 28 days (or if later the effective date requested by the Lead Party) after such notice was given to BSCCo and the CRA;

- (b) in the absence of such an election, the P/C Status of the BM Unit shall be determined in accordance with paragraph 3.5.2.

3.5.6 For so long as a Supplier fails to comply with paragraph 3.4.2(a), each Base BM Unit and each Additional BM Unit of that Supplier shall automatically be Consumption BM Units.

3.6 Changes in BM Unit registration

3.6.1 A Party may from time to time change the configurations of the BM Units which comprise the Plant and Apparatus for whose Exports and Imports he is responsible, by registering different BM Units comprising such Plant and Apparatus, subject to and in accordance with paragraph 3.2.

3.6.2 Where a Party ceases to be the Registrant of a CVA Metering System associated with a BM Unit for which he is the Lead Party:

- (a) the Plant and Apparatus (whose Exports or Imports are measured by that Metering System) shall cease to be comprised in that BM Unit; and
- (b) the Party shall take such steps (in accordance with BSCP 15) as are necessary to give effect to paragraph (a), by cancelling the registration of that BM Unit or reconfiguring the BM Unit in accordance with paragraph 3.6.1 so as to include any remaining Plant and Apparatus for whose Exports or Imports he remains responsible,

with effect from the effective date of registration of the new registrant or (as the case may be) date on which the Party otherwise ceases to be Registrant in accordance with paragraph 2.3.1.

3.6.3 A Supplier may cancel its registration of an Additional BM Unit in accordance with BSCP 15 provided that any Plant or Apparatus associated with SVA Metering Systems (of which it is Registrant) in a GSP Group which are assigned to such Additional BM Unit shall automatically be assigned with effect from the date of cancellation of the Additional BM Unit to such Supplier's Base BM Unit for that GSP Group, in accordance with paragraph 3.3.9.

3.6.4 Where a Supplier ceases to be the Registrant of any SVA Metering System in all GSP Groups (and, accordingly, ceases to be a Supplier for the purposes of the Code), it shall notify the CRA in accordance with BSCP 15 and the CRA shall upon application by the Supplier to the CRA cancel the registration of each Base BM Unit for which such Supplier is the Lead Party in accordance with BSCP 15.

4. TRADING UNITS

4.1 General

4.1.1 A combination of BM Units, with the same or different Lead Parties, may be identified as a Trading Unit in accordance with this paragraph 4 and Annex K-2, in which case each such BM Unit shall be described as 'belonging' to that Trading Unit.

4.1.2 The basis on which BM Units belong to Trading Units shall be determined:

- (a) in relation to a Supplier BM Unit which is not an Exempt Export BM Unit, in accordance with paragraph 4.7;

- (b) in relation to an Exempt Export BM Unit, in accordance with paragraph 4.7 or paragraphs 4.2 to 4.6 as the Lead Party shall (in accordance with paragraph 4.7.3) determine;
- (c) in relation to any other BM Unit (subject to paragraph 5.7), in accordance with paragraphs 4.2 to 4.6;

and references to a "relevant" BM Unit in paragraphs 4.2 to 4.6 (and in this paragraph 4.1) shall be construed accordingly.

4.1.3 A relevant BM Unit shall belong to a Trading Unit with effect from the registration of the Trading Unit pursuant to paragraph 4.5.

4.1.4 Where a relevant BM Unit does not belong, or ceases to belong, to a Trading Unit comprising one or more other BM Units, that BM Unit shall itself constitute a Trading Unit.

4.1.5 A BM Unit may not belong to more than one Trading Unit at any given time.

4.2 Application

4.2.1 A Party may apply to the Panel for a combination of relevant BM Units (the "**nominated**" BM Units) to be treated as a Trading Unit by sending to the Panel a written application ("**Trading Unit Application**") stating the class of application and containing the other information and supported by the documents and other matters referred to in BSCP 31 and signed by or on behalf of the Lead Parties for each of the BM Units concerned.

4.2.2 A Trading Unit Application shall be made in accordance with and subject to BSCP 31.

4.2.3 A Trading Unit Application may be made in advance of registration of the relevant BM Units in accordance with BSCP 31.

4.2.4 Annex K-2 shall apply in respect of any Trading Unit Application.

4.3 Decision

4.3.1 The Panel shall consider any Trading Unit Application in accordance with Annex K-2 and BSCP 31, and shall make a determination as to whether the nominated BM Units may be treated as a single Trading Unit and shall promptly notify the Trading Unit Applicants and, where the Trading Unit Application is approved, the CRA of its determination.

4.4 Not used

4.5 Registration of Trading Units

4.5.1 Where a Trading Unit Application has been approved, the Trading Unit Applicants may, at any time after the Panel notified its determination under paragraph 4.3 (but subject to paragraph 4.6.6), register the Trading Unit by giving notice to the CRA:

- (a) referring to the Panel's determination, and
- (b) specifying:
 - (i) the identity of the Trading Unit Applicants;
 - (ii) for each such applicant, the relevant BM Unit(s) for which it is Lead Party which are to belong to the Trading Unit;

- (iii) the class (in accordance with Annex K-2) of Trading Unit; and
- (iv) the date with effect from which the Trading Unit is to be registered.

4.5.2 An application to register a Trading Unit shall be made in accordance with and subject to BSCP 31.

4.5.3 The CRA shall in accordance with BSCP 31 validate and process an application to register a Trading Unit.

4.5.4 Registration of a Trading Unit will be effective on and from the later of:

- (a) the date specified by the applicants pursuant to paragraph 4.5.1(b)(iv), and
- (b) the date on which all of the requirements specified for such effectiveness in BSCP 31 have been satisfied.

4.6 Withdrawal

4.6.1 The Lead Party of any relevant BM Unit which belongs to a Trading Unit (other than a Sole Trading Unit) may terminate the registration of the Trading Unit by giving notice to the CRA and each of the Lead Parties for other relevant BM Units belonging to the Trading Unit, specifying the Trading Unit and the date with effect from which such registration is to be terminated.

4.6.2 Notice of termination of the registration of the Trading Unit shall be given in accordance with and subject to BSCP 31.

4.6.3 Termination of the registration of the Trading Unit shall be effective from later of the date specified in the notice of termination and the date (in accordance with BSCP 31) on which the CRA processes the notice.

4.6.4 With effect from the termination of the registration of a Trading Unit, each of the BM Units belonging to the Trading Unit shall belong to a Sole Trading Unit, except to the extent to which one or more different Trading Units, including any of such relevant BM Units, have been established and registered in accordance with this paragraph 4.

4.6.5 Where a relevant BM Unit belongs to a Sole Trading Unit, it shall automatically cease to do so upon the registration of any other Trading Unit to which it belongs.

4.6.6 If at any time the Panel determines that the relevant BM Units belonging to a Trading Unit no longer satisfy the requirements on the basis of which the Trading Unit was accepted by the Panel, the registration of the Trading Unit shall be terminated.

4.6.7 The Lead Party of each BM Unit belonging to a Trading Unit shall forthwith notify the Panel if the BM Units belonging to a Trading Unit no longer satisfy the requirements referred to in paragraph 4.6.6.

4.7 Base Trading Units

4.7.1 There shall automatically be established a Trading Unit (a "**Base Trading Unit**") in respect of each GSP Group.

4.7.2 Subject to paragraph 4.7.3:

- (a) each Supplier BM Unit shall automatically belong to the Base Trading Unit for the relevant GSP Group; and

- (b) each Exempt Export BM Unit in a GSP Group shall automatically belong to the Base Trading Unit for that GSP Group.

4.7.3 The Lead Party of an Exempt Export BM Unit may, by notice in writing to the CRA and BSCCo in accordance with (and with effect as specified in) BSCP 31, elect that the BM Unit shall not belong to the applicable Base Trading Unit, in which case the Trading Unit to which such BM Unit belongs shall be determined in accordance with paragraphs 4.2 to 4.6 (or where applicable paragraph 4.1.3).

4.7.4 The Lead Party of an Exempt Export BM Unit may, by notice in writing to the CRA and BSCCo in accordance with (and with effect as specified in) BSCP 31, withdraw an election under paragraph 4.7.3.

5. INTERCONNECTORS

5.1 General

5.1.1 The provisions of this paragraph 5 apply in relation to each Interconnector, in addition to and (to the extent in conflict with) in substitution for the other provisions of this Section K.

5.1.2 In accordance with paragraph 1.4, the Interconnected System Operator shall inform the CRA and the CRA will maintain a record of the Interconnector Boundary Point(s) for each Interconnector.

5.2 Derogation

5.2.1 If, in relation to a Distribution Interconnector:

- (a) a Party other than the relevant Distribution System Operator has made a request to the Panel to be treated as responsible for Exports and Imports at such Interconnector;
- (b) the Panel, after making reasonable enquiries of the circumstances giving rise to such request, has approved such request and has not withdrawn its approval;
- (c) that Party has complied with the requirements of paragraph 1.2.1,

then for so long as that Party continues to be the Registrant of the relevant CVA Metering System(s), and until and unless the approval of the Panel is withdrawn, the further provisions of this paragraph 5 (other than paragraphs 5.2.2 and 5.2.3) shall not apply in relation to that Interconnector, and such Party shall be allocated a single BM Unit in respect of such CVA Metering System(s) (which shall not be an Interconnector BM Unit).

5.2.2 Where and for so long as the further provisions of this paragraph 5 do not apply to a Distribution Interconnector by virtue of paragraph 5.2.1, the provisions of Section R shall apply to that Interconnector as if it were a BM Unit as referred to in Section R1.1.1(a) and not an Interconnector.

5.2.3 Any Party may:

- (a) at any time request the Panel to consider whether to withdraw its approval of a request under paragraph 5.2.1(a); and
- (b) where (following such request) the Panel decides not to withdraw such approval, if such Party wishes the matter to be determined by the Authority,

refer to the Authority the question whether the provisions of this paragraph 5 should apply in relation to that Interconnector.

5.3 Registration of Metering Systems

5.3.1 For each Interconnector, the Interconnected System Operator shall be required:

- (a) to install, maintain and operate (or procure the same) Metering Equipment pursuant to paragraph 1.2.1(a), and
- (b) to register Metering System(s) pursuant to paragraph 1.2.1(b),

and accordingly (subject to its complying with those requirements) shall be the Registrant of such Metering System.

5.3.2 Accordingly, but only to the extent of the obligations under paragraphs 1.2.1(a) and (b), the Interconnected System Operator shall be treated as the Party responsible for Exports and Imports at an Interconnector Boundary Point.

5.3.3 Paragraph 2.2 (excluding paragraph 2.2.4(h)) shall apply in relation to the registration of the related Metering Systems in CMRS.

5.4 Appointment of Interconnector Administrator and Interconnector Error Administrator

5.4.1 No Party may Export or Import at an Interconnector Boundary Point unless there is an Interconnector Error Administrator appointed and registered in CRS in relation to the Interconnector.

5.4.2 The Interconnected System Operator shall not energise a new Interconnector until an Interconnector Administrator and an Interconnector Error Administrator is appointed and registered in CRS.

5.4.3 Subject to the requirements of any Licence, a Party shall be appointed as Interconnector Administrator and/or Interconnector Error Administrator in relation to an Interconnector by notice given by the Interconnected System Operator to BSCCo and the CRA, accompanied by that Party's consent to act and application to be registered as such; and such appointment and registration shall be effective from the later of:

- (a) the effective date specified in such notice, and
- (b) the day following that on which BSCCo confirms to the CRA that such notice and consent have been given.

5.4.4 In relation to any Interconnector:

- (a) without prejudice to Section H3, a Party may not resign or withdraw its consent to act as Interconnector Administrator or Interconnector Error Administrator, and
- (b) the Interconnected System Operator may not withdraw or terminate the appointment of a Party as Interconnector Administrator or Interconnector Error Administrator,

unless and until another Party has been appointed and registered as such in its place.

5.4.5 If, in relation to an Interconnector, for any reason:

- (a) the Party for the time being appointed as Interconnector Error Administrator ceases to be a Party, or the registration of the Party appointed as Interconnector Error Administrator is removed pursuant to Section H3.2, or
- (b) otherwise at any time there is no Party so appointed,

the Interconnected System Operator shall:

- (c) within 30 days thereafter, either:
 - (i) appoint itself as Interconnector Error Administrator; or
 - (ii) subject to paragraph 5.4.8, de-energise the Interconnector; and
- (d) pending one or other of the steps referred to in paragraph (c), assume the responsibilities of the Interconnector Error Administrator for the purposes of the Code.

5.4.6 If, in relation to an Interconnector, for any reason:

- (a) the Party for the time being appointed as Interconnector Administrator ceases to be a Party, or
- (b) otherwise at any time there is no Party so appointed, or
- (c) the Interconnector Administrator is in Default (as defined in Section H3.1), or
- (d) the Interconnected System Operator becomes the Interconnector Error Administrator pursuant to paragraph 5.4.5,

the BM Unit Metered Volumes for the Interconnector BM Units of any relevant Interconnector User shall be set to zero by the SAA (and, accordingly, the Interconnector Metered Volume shall be attributed to the relevant Interconnector BM Unit of the Interconnector Error Administrator in accordance with Section T4.1) until and unless a replacement Interconnector Administrator or Interconnector Error Administrator (as the case may be) is appointed and registered in accordance with the provisions of paragraph 5.4.3 or (as the case may be) the Interconnector Administrator ceases to be in Default.

5.4.7 BSCCo shall notify the SAA if and when any of the circumstances described in paragraph 5.4.6 occur.

5.4.8 In relation to paragraph 5.4.5(c)(ii):

- (a) the Transmission Company may only de-energise the Interconnector with the approval of the Panel and with the approval, in relation to an Interconnector connected to an External System in Great Britain, of the Authority or, in relation to an Interconnector connected to an External System outside Great Britain, of the Secretary of State;
- (b) subject to paragraph (a), each Party hereby consents to such de-energisation;
- (c) each relevant Interconnector User shall indemnify and keep indemnified the Interconnected System Operator on demand against any and all liability, loss or damage which it may suffer by reason of effecting such de-energisation (but without prejudice to any agreement or arrangement between the relevant Interconnector Users and the Interconnected System Operator outside the terms of the Code in respect of such matters).

5.4.9 For the purposes of this paragraph 5.4, a "relevant Interconnector User" means an Interconnector User with Interconnector BM Units associated with the Interconnector in question.

5.5 Interconnector BM Units

5.5.1 For the purposes of the Code, an "**Interconnector BM Unit**" is a notional BM Unit associated with an Interconnector; and (except in paragraph 3.1 and unless otherwise provided or the context otherwise requires) an Interconnector BM Unit shall be treated as a BM Unit for all purposes of the Code.

5.5.2 The Interconnector Error Administrator shall, upon its appointment as such becoming effective, automatically be allocated (and registered in respect of) two Interconnector BM Units in accordance with paragraph 5.5.5.

5.5.3 Any Trading Party may apply to register Interconnector BM Units in relation to an Interconnector, and paragraphs 3.2.3 to 3.2.8 shall apply in relation to such application and registration, subject as follows:

- (a) the Party shall identify the Interconnector in its registration application;
- (b) the requirement (to identify the associated Metering Systems) in paragraph 3.2.3(d) shall not apply;
- (c) the requirements referred to in paragraph 3.2.6 shall be replaced by the requirements in paragraph 5.5.4.

5.5.4 The requirements are that:

- (a) the Interconnected System Operator is Registrant of the related Metering Systems (and such registration is effective in accordance with paragraph 2.2.5);
- (b) a Party or Parties are registered as Interconnector Administrator and Interconnector Error Administrator and such registrations are effective in accordance with paragraph 5.4.3.

5.5.5 Each Party who registers Interconnector BM Units in relation to any Interconnector will be allocated (and registered in respect of) two Interconnector BM Units designated as a Production BM Unit and a Consumption BM Unit respectively.

5.5.6 In relation to the Transmission Company:

- (a) where the Transmission Company is appointed (other than pursuant to Section K5.4.5) as Interconnector Error Administrator in respect of an Interconnector, the Interconnector BM Units allocated to the Transmission Company pursuant to paragraph 5.5.2 for that Interconnector shall be associated with the corresponding TC (IEA) Energy Accounts for that Interconnector;
- (b) any other BM Units allocated to the Transmission Company (under paragraph 5.5.2 or Section R7.5.2) shall be associated with the corresponding TC (Non-IEA) Energy Accounts,

and, for the avoidance of doubt, the Transmission Company shall apply for and hold the TC (Non-IEA) Energy Accounts in accordance with Section A.

5.6 Demand Capacity and Generation Capacity

5.6.1 In relation to a Production Interconnector BM Unit, Generation Capacity shall be determined under paragraph 3.4.8(a) and the value of Demand Capacity shall at all times be zero.

5.6.2 In relation to a Consumption Interconnector BM Unit, Demand Capacity shall be determined under paragraph 3.4.8(b) and the value of Generation Capacity shall at all times be zero.

5.7 Trading Units

5.7.1 An Interconnector BM Unit may not belong to a Trading Unit other than a Sole Trading Unit.

6. REGISTRATION

6.1 Central Registration Service

6.1.1 The CRA shall:

- (a) establish, maintain and operate the CRS;
- (b) receive (from Parties, Party Agents, other BSC Agents, BSCCo or others), validate and (if required) process:
 - (i) applications for registration in CRS, and
 - (ii) data which is required to be maintained in the CRS, including data relating to Parties, Party Agents, Accredited Persons, BM Units and Trading Units;and maintain and from time to time update and amend such registrations and data; and
- (c) send data from the CRS to Parties, Party Agents, other BSC Agents, BSCCo and others

subject to and in accordance with the requirements of the Code and applicable BSC Procedures.

6.1.2 The CRA shall provide or make available registration data from CRS as follows:

- (a) the CRA shall provide each day to the SAA, FAA, ECVAA, Transmission Company, each Interconnector Administrator and BSCCo, the full registration data in CRS;
- (b) the CRA shall provide each day to the BMRA BM Unit registration data;
- (c) the CRA shall notify to the SVAA in accordance with BSCP 15 details of the Supplier BM Units registered by each Supplier;
- (d) the CRA shall make available to each Party in accordance with BSCP 65 details of that Party's registrations in CRS.

6.2 Central Meter Registration Service

6.2.1 In relation to the CMRS:

- (a) the CRA and the CDCA shall establish, maintain and operate the CMRS;
- (b) the CRA shall receive (from Parties or Party Agents), validate and process applications for registration of Metering Systems in CMRS and allocate an identification number to each such Metering System, and maintain and from time to time update and amend such registrations and data;
- (c) the CDCA shall receive (from Parties or Party Agents), validate and process applications for registration of data relating to Metering Systems which is required to be maintained by the CDCA in CMRS, and maintain and from time to time update and amend such registrations and data;
- (d) the CRA and the CDCA shall send data from the CMRS to Parties, Party Agents, other BSC Agents, BSCCo and others

subject to and in accordance with the requirements of the Code and applicable BSC Procedures.

6.2.2 The CRA shall provide or make available registration data from CMRS as follows:

- (a) the CRA shall provide each day to the Transmission Company and BSCCo the identity of each Metering System registered in CMRS and its Registrant;
- (b) the CRA shall make available to each Party in accordance with BSCP 65 details of that Party's registrations in CMRS.

7. FAILING SUPPLIER PROCESS

7.1 Transfer of responsibility

7.1.1 For the purposes of the Code:

- (a) "**Supplier of Last Resort**" means, in relation to a BM Unit comprising or including premises of one or more Customers, the Trading Party to which a last resort direction is issued by the Authority in respect of those premises;
- (b) "**last resort direction**" has the meaning given to that term in each Supply Licence;
- (c) "**Transferee**" means, in relation to a BM Unit, the Trading Party identified as the transferee for that BM Unit in a notice which is given and takes effect pursuant to and in accordance with paragraph 7.2;
- (d) the "**Affected BM Units**" are:
 - (i) in relation to a Supplier of Last Resort, the BM Unit(s) comprising or including premises in respect of which the last resort direction is made and, where applicable, any related BM Units referred to in paragraph 7.3.3;
 - (ii) in relation to a Transferee, the BM Unit(s) specified in the notice given pursuant to paragraph 7.2 in respect of that Transferee and, where applicable, any related BM Units referred to in paragraph 7.3.3;

and, in each case, an "**Affected BM Unit**" shall be a particular one of them.

- (e) "**Replacement Supplier**" means, in relation to an Affected BM Unit:
- (i) the Supplier of Last Resort; or
 - (ii) the Transferee,
- as the case may be;
- (f) "**failing Supplier**" means:
- (i) in relation to a Supplier of Last Resort, the other supplier (as defined in the Supply Licence of the Supplier of Last Resort); and
 - (ii) in relation to a Transferee, the Lead Party giving (and entitled to give) the notice referred to in paragraph 7.2.1;
- (g) the "**Appointment Day**" means:
- (i) in relation to a Supplier of Last Resort (and, where applicable, an Affected BM Unit), the day when the relevant last resort direction takes effect pursuant to the Supply Licence of the Supplier of Last Resort;
 - (ii) in relation to a Transferee (and, where applicable, an Affected BM Unit), the day next following the day on which the relevant notice referred to in paragraph 7.2 is received by BSCCo; and
- (h) references to the 'appointment' of a Replacement Supplier are:
- (i) in the case of a Supplier of Last Resort, to the issue of a last resort direction to the relevant Trading Party;
 - (ii) in the case of a Transferee, to the giving of a notice to BSCCo pursuant to paragraph 7.2 identifying the relevant Trading Party as the transferee,

and derivative terms shall be construed accordingly.

7.1.2 The provisions of this paragraph 7 apply on the appointment of a Replacement Supplier for the purposes of recognising and giving effect, under the Code, to the transfer of responsibility for Exports and Imports of Plant and Apparatus comprised in Affected BM Unit(s) from the failing Supplier to the Replacement Supplier.

7.1.3 Without prejudice to Section N6.10, where a Replacement Supplier is appointed, then in respect of each Affected BM Unit:

- (a) such Replacement Supplier shall be treated for the purposes of the Code (notwithstanding any other provision of this Section K but subject to the further provisions of this paragraph 7) as becoming:
- (i) responsible for Exports and Imports of the Plant and Apparatus comprised in that BM Unit;
 - (ii) the Registrant in respect of all Metering Systems associated with that BM Unit (and, for the purposes only of the Code, as having

appointed and registered the Party Agents of the failing Supplier in respect of such Metering Systems, and otherwise as having complied with any conditions to the appointment or registration thereof, in accordance with the provisions of the Code); and

- (iii) subject to the obligations and liabilities and entitled to the rights and benefits (including in respect of Trading Charges and BSCCo Charges) related to or connected with those Metering Systems and Exports and Imports of that Plant and Apparatus; and
- (b) the relevant failing Supplier shall be treated for the purposes of the Code (notwithstanding any other provision of this Section K but subject to the further provisions of this paragraph 7) as ceasing to be:
 - (i) responsible for Exports and Imports of the Plant and Apparatus comprised in that BM Unit;
 - (ii) the Registrant in respect of all Metering Systems comprised in that BM Unit; and
 - (iii) subject to the obligations and liabilities and entitled to the rights and benefits (including in respect of Trading Charges and BSCCo Charges) related to or connected with those Metering Systems and Exports and Imports of that Plant and Apparatus,

in each case, with effect from the time and date when the transfer of responsibility resulting from such appointment is deemed to take effect in accordance with paragraph 7.1.4 and in respect of each Settlement Period on and after such time, and the provisions of the Code shall be construed accordingly.

7.1.4 The transfer of responsibility resulting from the appointment of a Replacement Supplier shall be deemed to take effect, for the purposes of the Code:

- (a) in the case of a Supplier of Last Resort, from 00.00 hours on the Appointment Day;
- (b) in the case of a Transferee, from the time and date specified in the relevant notice given pursuant to paragraph 7.2.1 and in accordance with the further provisions of paragraph 7.2,

(such time and date being referred to in the Code as the "**Replacement Supplier Transfer Date**").

7.1.5 The transfer of responsibility in respect of Exports and Imports of Plant and Apparatus comprised in Affected BM Units from the failing Supplier to the Replacement Supplier pursuant to this paragraph 7.1 shall be without prejudice to and shall not affect:

- (a) the rights and liabilities of the failing Supplier under the Code relating to or connected with such BM Units (or Metering Systems associated with such BM Units), including in respect of Trading Charges (including Reconciliation Charges and Ad-hoc Trading Charges) and BSCCo Charges, accrued or accruing in respect of the period prior to the Replacement Supplier Transfer Date;
- (b) the rights and liabilities of the failing Supplier under the Code relating to or connected with any other BM Units or Metering Systems for which the failing

Supplier is responsible, including in respect of Trading Charges (including Reconciliation Charges and Ad-hoc Trading Charges) and BSCCo Charges, accrued or accruing in respect of the period on, before or after the Replacement Supplier Transfer Date.

- 7.1.6 For the avoidance of doubt, nothing in this paragraph 7 shall affect:
- (a) any Energy Contract Volume Notifications for which the failing Supplier is a Contract Trading Party;
 - (b) any Metered Volume Reallocation Notifications for which the failing Supplier is the Subsidiary Party,

whether submitted or submitted in respect of a period on, before or after the Replacement Supplier Transfer Date, and any such Energy Contract Volume Notifications or Metered Volume Reallocation Notifications validly submitted in accordance with Section P shall apply and be taken into account in Settlement, subject to and in accordance with the other provisions of the Code, for the purposes of determining any liability or entitlement of the failing Supplier in respect of Trading Charges.

- 7.1.7 The provisions of paragraph 7.1.3 are without prejudice to the obligations of the Replacement Supplier and the failing Supplier contained in paragraph 7.6.

- 7.1.8 The provisions of this paragraph 7.1 shall apply for the purposes of Settlement under the Code notwithstanding any other provisions in any Core Industry Document.

- 7.1.9 Where a last resort direction is issued to a Trading Party, such Trading Party shall forthwith send a copy of the last resort direction to BSCCo, and BSCCo shall send a copy thereof to each other Party.

- 7.1.10 Until and unless each Supply Licence requires the holder of that Supply Licence to comply with a direction of the Authority to supply electricity to customers of the holder of another Supply Licence upon revocation of that other Supply Licence:

- (a) references in this paragraph 7 to a Supplier of Last Resort shall be to the Trading Party which has consented, at the request of the Authority, to supply electricity to customers at premises upon revocation of the Supply Licence of another Trading Party which was supplying such customers immediately prior to revocation; and
- (b) in relation to the Supplier of Last Resort, references in this paragraph 7:
 - (i) to the Affected BM Unit(s) are to the BM Unit(s) comprising or including the premises in respect of which such Trading Party so consents to supply electricity and, where applicable, any related BM Units referred to in paragraph 7.3.3;
 - (ii) to the Appointment Day are to the day when such Trading Party commences that supply of electricity (under a contract made or deemed, by virtue of schedule 6A of the Act, to have been made with the relevant customer(s)); and
 - (iii) to the failing Supplier are to the Trading Party which was responsible for the supply of electricity in respect of such premises immediately prior to such day and whose Supply Licence is revoked.

7.2 Trade Sales

7.2.1 Where, in relation to a Lead Party:

- (a) one or more of the events referred to in Section H3.1.1(g)(iii), (iv), (v) or (vi) occurs; or
- (b) BSCCo determines that one or more of the events referred to in Section H3.1.1(g)(i) or (ii) has occurred,

such Lead Party may give notice to BSCCo that it intends to transfer to another Trading Party its interests in respect of the provision of electrical power to Customers and/or the receipt of electrical power from Generating Plant (such transfer being referred to as the "**relevant transfer**").

7.2.2 A notice given pursuant to paragraph 7.2.1 shall:

- (a) be in writing;
- (b) identify:
 - (i) subject to paragraph 7.2.3, the BM Unit(s) of the Lead Party in respect of which the relevant transfer is to take place;
 - (ii) the transferee, being the Trading Party to which the relevant transfer is to be made;
 - (iii) subject to paragraph 7.2.4, the date with effect from which the relevant transfer is to be made;
 - (iv) subject to paragraph 7.2.5, the time with effect from which the relevant transfer is to be made; and
- (c) be signed by or on behalf of both the Lead Party issuing such notice and the Trading Party identified in such notice as the transferee.

7.2.3 A relevant transfer:

- (a) may relate to Plant and Apparatus (of the relevant Customer(s) and/or generator(s), as the case may be) associated with one or more BM Units but may not relate to part only of the Plant and Apparatus associated with a BM Unit;
- (b) may not include BM Units comprising only Generating Plant (except where the Generating Plant is owned or operated by a SVA Generator) or associated only with an Interconnector.

7.2.4 For the purposes of the Code, the date with effect from which a relevant transfer is to take effect:

- (a) may not be earlier than the date of a Settlement Day to be determined at the time by BSCCo such that the transfer of responsibility pursuant to this paragraph 7 can be taken into account for the purposes of the Initial Settlement Run to be carried out for that Settlement Day;
- (b) may not be later than the Appointment Day.

- 7.2.5 Unless otherwise agreed in advance by BSCCo, the time with effect from which a relevant transfer is to take effect, for the purposes of the Code, is 00.00 hours on the date with effect from which such relevant transfer is to take effect in accordance with paragraph 7.2.4.
- 7.2.6 Without prejudice to the provisions of paragraphs 7.2.3, 7.2.4 and 7.2.5 as they apply for the purposes of the Code, those provisions shall not affect or limit the terms and conditions upon which a relevant transfer is to be made as between the parties to the relevant transfer.
- 7.2.7 For the avoidance of doubt:
- (a) a notice may not be given pursuant to paragraph 7.2.1 (and any notice given shall not take effect) in respect of premises for which a Trading Party is appointed as the Supplier of Last Resort (in the same set of circumstances);
 - (b) where a Lead Party intends to transfer its interests to more than one Trading Party, a separate notice shall be required under paragraph 7.2.1 for each relevant transfer.
- 7.2.8 BSCCo shall send a copy of any notice given pursuant to paragraph 7.2.1 to the Authority, each Party and the CRA.

7.3 Establishment of BM Units

- 7.3.1 The provisions of this paragraph 7.3 apply in relation to an Affected BM Unit where a Trading Party becomes, for the purposes of the Code, the Replacement Supplier in respect of that BM Unit.
- 7.3.2 Where this paragraph 7.3 applies, the CRA shall establish a BM Unit (a "**Replacement Supplier BM Unit**") for which the Replacement Supplier is the Lead Party corresponding to each Affected BM Unit in respect of which the relevant Trading Party becomes the Replacement Supplier as soon as reasonably practicable after the appointment of such Replacement Supplier.
- 7.3.3 Where a Replacement Supplier is appointed in respect of an Affected BM Unit which is a Base BM Unit of the failing Supplier, such Replacement Supplier shall also assume responsibility for the Generating Plant comprised in any BM Unit of the failing Supplier in the same GSP Group which comprises only Generating Plant of a SVA Generator, unless responsibility for such Generating Plant is otherwise assumed at the time by another Replacement Supplier.
- 7.3.4 Unless the context otherwise requires, references to BM Units in the Code shall include Replacement Supplier BM Units.
- 7.3.5 The establishment of Replacement Supplier BM Unit(s) pursuant to paragraph 7.3.2 shall take effect on and from the Replacement Supplier Transfer Date.
- 7.3.6 Each Replacement Supplier BM Unit established pursuant to paragraph 7.3.2 shall be configured in the same way and have the same attributes as the Affected BM Unit of the failing Supplier to which it corresponds, including:
- (a) the Generation Capacity and the Demand Capacity;
 - (b) the Credit Assessment Load Factor;
 - (c) (where applicable) the CVA Metering Systems associated with that BM Unit;

- (d) (where applicable) the GSP Group in which that BM Unit is situated;
- (e) (where applicable) the status of that BM Unit as a Base BM Unit or an Additional BM Unit;
- (f) (where applicable) the SVA Metering Systems associated with that BM Unit;
- (g) the P/C Status;
- (h) (where applicable) the Aggregation Rules;
- (i) the Trading Unit to which that BM Unit belongs;
- (j) the Joint BM Unit Data (if any);
- (k) whether that BM Unit is considered a relevant BM Unit for the purposes of Section Q,

but without prejudice to the Replacement Supplier's rights and obligations to revise such configuration and attributes, or otherwise to the revision of such configuration and attributes, from time to time pursuant to any other provision of the Code.

7.3.7 Where a Replacement Supplier is appointed in respect of Plant or Apparatus which is subject to a Shared SVA Meter Arrangement, then notwithstanding any provisions to the contrary in paragraph 2.5:

- (a) references in this paragraph 7 to Metering Systems associated with a BM Unit shall include the Shared SVA Metering System;
- (b) the transfer of responsibility under this paragraph 7 shall apply in respect of Exports and Imports associated with the SVA Metering System Number(s) of the failing Supplier;
- (c) the Allocation Schedule prevailing immediately prior to the Appointment Day shall continue to apply and to bind the Replacement Supplier and the other Supplier(s) (not being the failing Supplier) to the Shared SVA Meter Arrangement;
- (d) the Replacement Supplier shall assume the status previously held by the failing Supplier as the Primary Supplier or a Secondary Supplier (as the case may be);
- (e) the provisions of paragraph 7.6.7 shall apply.

7.4 Effect of establishment of Replacement Supplier BM Units

7.4.1 The establishment of a Replacement Supplier BM Unit pursuant to paragraph 7.3 shall be treated, for the purposes of the Code, as if:

- (a) that new BM Unit had been registered (comprising the same Metering Systems as those comprised in the corresponding BM Unit of the failing Supplier) by the Replacement Supplier with effect from the Replacement Supplier Transfer Date; and
- (b) the registration of the corresponding BM Unit of the failing Supplier had been cancelled by the failing Supplier with effect from such date.

7.4.2 Without prejudice to the generality of paragraph 7.4.1 and subject to the further provisions of this paragraph 7, in respect of each Settlement Period on and after the Replacement Supplier Transfer Date:

- (a) the BM Unit Metered Volumes of the Affected BM Unit to which a Replacement Supplier BM Unit corresponds shall be allocated to the Replacement Supplier BM Unit; and
- (b) such BM Unit Metered Volumes shall not be allocated or treated as allocated to the Affected BM Unit to which such Replacement Supplier BM Unit corresponds,

for the purposes of Section T.

7.4.3 Notwithstanding paragraph 7.4.1, in respect of each Settlement Period during the period (if any) between the Replacement Supplier Transfer Date and the Appointment Day:

- (a) each MVRNA Authorisation of the failing Supplier relating to an Affected BM Unit, which is effective for such period in accordance with Section P, shall be treated as effective for that period in relation to the Replacement Supplier and the Replacement Supplier BM Unit to which the Affected BM Unit corresponds;
- (b) each Metered Volume Reallocation Notification of the failing Supplier (as Lead Party) relating to an Affected BM Unit shall be treated as relating to the Replacement Supplier BM Unit to which it corresponds and to the Replacement Supplier (as Lead Party) instead, and shall be taken into account for the purposes of Settlement accordingly;
- (c) each data item submitted by the failing Supplier or established by the Transmission Company under, and each action taken in pursuance of and as contemplated by Section Q, in relation to an Affected BM Unit shall be treated as applying to or taken in relation to the Replacement Supplier BM Unit to which the Affected BM Unit corresponds and (where applicable) submitted by the Replacement Supplier instead, and shall be taken into account for the purposes of Settlement accordingly,

provided that (for the avoidance of doubt) any Metered Volume Reallocation Notifications and any data item as referred to in paragraph (c) submitted or purportedly submitted by or on behalf of the failing Supplier (as Lead Party) relating to the Affected BM Units in respect of any period on or after the Appointment Day (whether submitted before, on or after the date when the registration of such Affected BM Units is treated as cancelled pursuant to paragraph 7.4.1) shall, by virtue of paragraph 7.4.1, be void and of no effect and shall not be applied to the Replacement Supplier BM Units to which they correspond.

7.4.4 The provisions of Section M3.4.5 shall apply.

7.4.5 Without prejudice to the obligations of the Replacement Supplier in paragraph 7.6, a Replacement Supplier shall not be considered to be in breach of any provision of the Code relating to Metering Systems (and/or Party Agents deemed to be appointed and registered by it pursuant to paragraph 7.1.3(a)(ii)) to the extent that, during the period between the Replacement Supplier Transfer Date and the relevant Replacement Supplier Registration Date, the Replacement Supplier is unable to comply or take steps to comply with such provision by reason (only) of the fact that it is not formally registered in CMRS or SMRS

(as the case may be) as the Registrant of Metering System(s) for which it is deemed to be the Registrant by virtue of paragraph 7.1.3(a)(ii), including the provisions of:

- (a) Section J5; and
- (b) Section O3.2

provided that this paragraph 7.4.5 shall not relieve the Replacement Supplier of liability under Section S3.2 and Annex S-1 in relation to such Metering Systems.

7.4.6 The Replacement Supplier shall not be entitled to:

- (a) allocate SVA Metering Systems comprised in a Replacement Supplier BM Unit to Additional BM Units, in accordance with Section S6, or otherwise change the allocation of a SVA Metering System to a Replacement Supplier BM Unit until the relevant Replacement Supplier Registration Date for that Metering System;
- (b) change the status (as a Base BM Unit or Additional BM Unit) of Replacement Supplier BM Units with which SVA Metering Systems are associated.

7.4.7 Without prejudice to paragraph 7.1.3, the failing Supplier shall remain registered in CMRS or SMRS (as the case may be) in respect of each Metering System associated with the Replacement Supplier BM Unit until the earlier of the relevant Replacement Supplier Registration Date and the date when another Trading Party becomes registered, for the purposes of and in accordance with the Code, in respect of such Metering System.

7.4.8 For the avoidance of doubt, the deemed appointment and registration of Party Agents pursuant to paragraph 7.1.3(a)(ii) applies for the purposes of the Code only and shall not create, affect or change any relationship between the failing Supplier or the Replacement Supplier and those (or any other) Party Agents.

7.5 Data

7.5.1 For the purposes of any provisions in the Code relating to the ownership and use of data (including Section L5), the rights of the failing Supplier in respect thereof, as they relate to the Affected BM Units for which a Trading Party becomes the Replacement Supplier, shall apply to the Replacement Supplier as if it were the actual Registrant of the relevant Metering Systems with effect from the Replacement Supplier Transfer Date, and:

- (a) any such rights shall automatically be assigned by the failing Supplier to the Replacement Supplier with effect from and in respect of the period on and after the Replacement Supplier Transfer Date; or
- (b) to the extent that it is not possible legally to assign such rights as provided in paragraph (a), the failing Supplier shall make such data available to the Replacement Supplier at all times on terms such that the Replacement Supplier is free to use such data as if the data had been so assigned to it.

7.5.2 The failing Supplier shall take all reasonable steps to co-operate with the Replacement Supplier to give effect to the transfer of responsibility contemplated by this paragraph 7 and to enable the Replacement Supplier to comply with its obligations hereunder.

7.5.3 Without prejudice to the generality of paragraph 7.5.2, the failing Supplier shall provide the Replacement Supplier with such records, data and information and otherwise take such steps as if, in relation to each Metering System associated with the Affected BM Units, a

change of Registrant (from the failing Supplier to the Replacement Supplier) had occurred on the Replacement Supplier Transfer Date.

7.5.4 The failing Supplier shall have a right of access to any records, data and information referred to in this paragraph 7.5 to the extent required by the failing Supplier for the purposes of the Code in relation to any period prior to the Replacement Supplier Transfer Date.

7.6 **Obligation to register Metering Systems**

7.6.1 Subject to paragraph 7.6.6, each Replacement Supplier shall take such steps as may be necessary:

- (a) to effect, in accordance with the provisions of paragraph 2, the registration of Metering Systems (or, in the case of a Shared SVA Meter Arrangement, the Shared SVA Metering System with the relevant SVA Metering System Number) treated, for the purposes of this paragraph 7, as associated with its Replacement Supplier BM Unit(s);
- (b) to effect the appointment and registration of Party Agents in relation to those Metering Systems; and
- (c) otherwise to comply with the provisions of the Code, including Section J, Section L, Section R and Section S, relating to the registration of Metering Systems and Party Agents.

7.6.2 The Replacement Supplier shall take the steps referred to in paragraph 7.6.1 as soon as reasonably practicable after the Appointment Day and, in any event, within 3 months after the Appointment Day.

7.6.3 The failing Supplier shall take such steps as may be required under the Code in order to permit the Replacement Supplier to become registered as the Registrant in respect of the Metering Systems referred to in paragraph 7.6.1.

7.6.4 For the purposes of the Code, in respect of a Metering System associated with Plant or Apparatus comprised in an Affected BM Unit for which the Replacement Supplier becomes responsible pursuant to this paragraph 7, the date when the Replacement Supplier becomes registered in CMRS or SMRS (as the case may be) as the Registrant in respect of that Metering System shall be referred to as the "**Replacement Supplier Registration Date**".

7.6.5 In the case of each SVA Metering System in a GSP Group comprised in a Replacement Supplier BM Unit, such Metering System shall with effect from the relevant Replacement Supplier Registration Date be associated with and comprised in the Base BM Unit of the Replacement Supplier (not being the Replacement Supplier BM Unit) for that GSP Group, subject to paragraph 7.6.6 and without prejudice to the rights of the Supplier under Section S6 from that date.

7.6.6 The obligation of the Replacement Supplier under paragraph 7.6.1 to become registered in respect of each Metering System associated with its Replacement Supplier BM Units is without prejudice and subject to the rights and obligations of another Trading Party under the Code to become registered in respect of any such Metering System, in accordance with the provisions of the Code and, where applicable, the MRA, if such other Trading Party becomes responsible for Exports and Imports associated with such Metering System prior to the relevant Replacement Supplier Registration Date, in which case such Metering

System shall cease to be associated with such Replacement Supplier BM Unit with effect from the effective date of registration by such other Trading Party.

- 7.6.7 In relation to a Shared SVA Meter Arrangement, if the Replacement Supplier and the other Supplier(s) (not being the failing Supplier) fail to reach agreement, prior to the deadline provided in paragraph 7.6.2, on the arrangements which are to apply as between themselves for the purposes of the Shared SVA Meter Arrangement, the provisions of paragraph 2.5.6 shall apply as if a Secondary Supplier had ceased to be the Secondary Supplier.
- 7.6.8 In the case of a relevant transfer made pursuant to paragraph 7.2, where the Lead Party transfers its interests in relation to all its BM Units (subject to paragraph 7.2.3) to a single Transferee:
- (a) the provisions of this paragraph 7.6 shall not apply; and
 - (b) in relation to a Metering System associated with the relevant Replacement Supplier BM Unit:
 - (i) the reference in paragraphs 7.4.5 and 7.4.7 to the relevant Replacement Supplier Registration Date shall be to the date (if any) with effect from which the Transferee becomes registered, for the purposes of and in accordance with the provisions of paragraph 2, in respect of such Metering System; and
 - (ii) the provisions of paragraph 7.4.6 shall not apply.

ANNEX K-1

MASTER REGISTRATION AGREEMENT

1. MRA BSC AGENT

1.1 Appointment

1.1.1 BSCCo (or a Subsidiary of BSCCo nominated by BSCCo) shall act and is hereby appointed by the Panel pursuant to the Code as the MRA BSC Agent for the purposes of the Master Registration Agreement.

1.1.2 References in this Annex K-1 to the MRA BSC Agent are to BSCCo (or such Subsidiary of BSCCo) acting in its capacity as MRA BSC Agent.

1.1.3 Where a Subsidiary of BSCCo is appointed to act as the MRA BSC Agent, BSCCo shall be responsible for procuring performance by such Subsidiary of its duties and responsibilities as MRA BSC Agent under this Annex K-1.

1.2 Role of the Panel

1.2.1 The Panel shall have the right to instruct the MRA BSC Agent in relation to the Master Registration Agreement, and shall supervise the MRA BSC Agent in the performance of its functions as 'BSC Agent' under the Master Registration Agreement (as defined therein).

1.2.2 The Panel shall have all powers necessary to enable the Panel to exercise its rights and responsibilities under this paragraph 1.2.

1.3 Responsibilities of MRA BSC Agent

1.3.1 The MRA BSC Agent is hereby authorised to become a party to the Master Registration Agreement with, inter alia, the duties, rights and responsibilities set out in the Master Registration Agreement for the 'BSC Agent' (as defined therein), subject to paragraph 1.2.

1.3.2 The MRA BSC Agent shall be entitled to rely on all instructions given to it by the Panel in connection with the exercise of all such duties, rights and responsibilities.

1.3.3 Subject to paragraph 1.2.1, the MRA BSC Agent shall exercise and discharge its duties, rights and responsibilities under the Master Registration Agreement with a view to ensuring that the Code is given effect in accordance with its terms and otherwise with a view to achieving the objectives in Section B1.2.

1.4 Costs of MRA BSC Agent

1.4.1 If and to the extent that the costs, fees, expenses, liabilities and losses of the MRA BSC Agent incurred in the performance of its duties, rights and responsibilities referred to in paragraph 1.3 are not capable of being, or are not, recovered pursuant to the Master Registration Agreement, the same shall be BSC Costs for the purposes of Section D.

2. SUPPLIERS' OBLIGATIONS

2.1 Obligation to become party

2.1.1 Each Supplier requiring Services under and as defined in the Master Registration Agreement shall become a party to the Master Registration Agreement and shall use its

reasonable endeavours to fulfil the conditions precedent set out in the Master Registration Agreement applicable to it as soon as reasonably practicable after it has become a party to the Master Registration Agreement.

3. ENTRY PROCESS REQUIREMENTS

3.1 Completion of Entry Process Requirements

3.1.1 Each Licensed Distribution System Operator shall ensure that it has satisfied the requirements of the SMRS Entry Process in accordance with BSCP 511 before allowing its Supplier Meter Registration Service to provide services in relation to Supplier Volume Allocation.

3.2 Assistance to Suppliers

3.2.1 Each Licensed Distribution System Operator shall provide all reasonable assistance to each Supplier and its Supplier Agents in accordance with BSCP 512 as may be required by the relevant Supplier and/or its Supplier Agents for it or them to satisfy the requirements of the Supplier Entry Process.

4. BSC REQUIREMENTS FOR THE MRA

4.1 The BSC Requirements for the MRA are set out or referred to in the Appendix to this Annex.

4.2 Subject to Section H1.6, each Party shall comply with the BSC Requirements for the MRA to the extent applicable to it.

APPENDIX

to Annex K-1

BSC Requirements for the MRA

1. BSCP 501 (Supplier Meter Registration Service).
2. Party Service Line 160 (Party Service Line for the Supplier Meter Registration Service (SMRS)).
3. Paragraphs 1.3.2.3 and 1.3.3 of Party Service Line 130 (Half Hourly Data Collection).
4. Paragraphs 2.2.3, 2.2.7, 3.2.3 and 3.2.7 of BSCP 502 (Half Hourly Data Collection for Metering Systems Registered in SMRS).
5. Paragraphs 1.3.3, 1.5.3.5, 1.5.4.1 and 1.5.4.2 of Party Service Line 120 (Non Half Hourly Data Collection).
6. Paragraphs 2.2.6, 3.2.6 and 4.4 of BSCP 504 (Non Half Hourly Data Collection for Metering Systems Registered in SMRS).
7. Paragraphs 2, 3.3 and 4.3 of Annex S-2.

ANNEX K-2

TRADING UNIT APPLICATIONS

1 CONFIGURATION OF TRADING UNITS

1.1 Introduction

1.1.1 The Classes of Trading Unit Application shall be as specified in BSCP 31.

1.1.2 Every Trading Unit Application shall state whether it is a Class 1, Class 2, Class 3, Class 4 or Class 5 application and the Panel shall consider a Trading Unit Application by reference to the provisions set out in this Annex K-2 for the stated class (or, in the case of paragraph 1.6, as provided therein).

1.1.3 For the purposes of this Annex K-2:

- (a) references to Exports and Imports are to Exports and Imports of the nominated BM Units;
- (b) references to a Trading Unit shall not include a Sole Trading Unit.

1.2 Class 1

1.2.1 If the Trading Unit Application shall state that it is a Class 1 application then the Panel shall determine from the Trading Unit Application and supporting documentation and other matters (and any further evidence provided in accordance with paragraph 1.7) if the nominated BM Units are or are to be electrically configured in the same manner as is prescribed in one of the line diagrams contained in BSCP 31 and fulfil or will fulfil all the conditions specified in such BSC Procedure applicable to a Class 1 application, in which event the nominated combination of BM Units shall be treated as belonging to a single Trading Unit.

1.3 Class 2

1.3.1 If the Trading Unit Application shall state that it is a Class 2 application then the Panel shall determine from the Trading Unit Application and supporting documentation and other matters (and any further evidence provided in accordance with paragraph 1.7) if the nominated BM Units are or are to be electrically connected solely by Dedicated Assets, in which event the BM Units shall be treated as belonging to a single Trading Unit.

1.3.2 In this paragraph 1.3, "**Dedicated Assets**" means assets and equipment which are used solely to connect electrically (a) the location at which the Exports originate with (b) the location at which the Imports are taken (and no other), and additionally satisfy one of the diagrammatic representations of Dedicated Assets contained in BSCP 31.

1.4 Class 3

1.4.1 If the Trading Unit Application shall state that it is a Class 3 application then the Panel shall determine from the Trading Unit Application and supporting documentation and other matters (and any further evidence provided in accordance with paragraph 1.7) if the nominated BM Units are or are to be electrically connected by Contiguous Assets, in which event the nominated BM Units shall be treated as a single Trading Unit.

1.4.2 In this paragraph 1.4:

- (a) **"Contiguous Assets"** means those Specified Assets and Equipment at a location which connect by one continuous electrical connection the location at which the Exports originates with the location at which the Imports are taken, which Specified Assets and Equipment are all owned by the Trading Unit Applicants and/or are Specified Assets and Equipment in respect of which a contribution is or will be made by the Trading Unit Applicants to the provision and installation or maintenance and repair costs thereof or where such Specified Assets and Equipment are already provided and installed, the maintenance and repair costs thereof; and
- (b) **"Specified Assets and Equipment"** means:
 - (i) assets and equipment identified and quoted in the Connection Agreement of any Trading Unit Applicant where such assets and equipment include assets and equipment identified and quoted in the Connection Agreements relating to all Trading Unit Applicants which form part of the continuous electrical connection for the purposes of (a) above; and/or
 - (ii) assets and equipment owned by a person other than the Trading Unit Applicant and any other Trading Party which is responsible for BM Unit(s) associated with the Trading Unit Application, and which form part of the continuous electrical connection for the purposes of (a) above.

1.5 Class 4

- 1.5.1 If the Trading Unit Application shall state that it is a Class 4 application then the Panel shall determine from the Trading Unit Application and supporting documentation and other matters (and any further evidence provided in accordance with paragraph 1.7) if all of the nominated BM Units are Exempt Export BM Units and are located in the same GSP Group, in which event the nominated BM Units shall be treated as belonging to a single Trading Unit.

1.6 Class 5

- 1.6.1 If the Trading Unit Application shall state that it is a Class 5 application or if the Panel shall determine that the nominated BM Units the subject of a Class 1, Class 2, Class 3 or Class 4 Trading Unit Application do not satisfy the conditions specified in paragraphs 1.2, 1.3, 1.4 or (as the case may be) 1.5, the Panel shall determine from the Trading Unit Application and supporting documentation and other matters (and any further evidence provided in accordance with paragraph 1.7) if the nominated BM Units shall be treated as a Trading Unit having regard to the criteria set out in paragraph 1.6.2.
- 1.6.2 The criteria referred to in paragraph 1.6.1 are:
 - (a) whether, although not satisfying the conditions applicable to a Class 1, Class 2, Class 3 or Class 4 Trading Unit Application, the Trading Unit Application demonstrates (to the reasonable satisfaction of the Panel) sufficient similarities with sites which would satisfy those conditions such that it would be unreasonable not to treat the nominated BM Units as a single Trading Unit;
 - (b) whether there are any other facts or evidence in support of the Trading Unit Application that in the reasonable opinion of the Panel demonstrate that the nominated BM Units ought to be treated as a single Trading Unit.

1.7 Further evidence

- 1.7.1 The Panel may request a Trading Unit Applicant to produce such further evidence as the Panel may reasonably require in support of its Trading Unit Application before the Panel makes any determination as to whether the nominated BM Units are to be treated as a Trading Unit, and the Panel shall not be bound to make any determination on the issue of whether the nominated BM Units are a Trading Unit pending receipt of such further evidence.

SECTION L: METERING

1. INTRODUCTION

1.1 General

1.1.1 This Section L sets out:

- (a) requirements for the installation, commissioning, operation and maintenance of Metering Equipment for the measurement of quantities of Active Energy and where relevant Reactive Energy; and
- (b) the functions of the TAA in connection with such Metering Equipment.

1.1.2 For the purposes of the Code, subject to paragraph 1.1.3, the quantities of Active Energy and, where relevant, Reactive Energy Exported or Imported by any Party at a Boundary Point or flowing between Systems at a Systems Connection Point shall be measured and recorded through Metering Equipment installed, commissioned, operated and maintained and otherwise provided for as set out in this Section L.

1.1.3 There is no requirement to install, commission, operate and maintain Metering Equipment or measure and record a flow of Active Energy or Reactive Energy through Metering Equipment in respect of any Import relating to an Unmetered Supply; and nothing in this Section L applies in relation to an Unmetered Supply (or any Metering System in respect of an Unmetered Supply).

1.1.4 In this Section L:

- (a) in relation to any Metering System, references to requirements under any Code of Practice shall be construed as requirements in relation to all of the Metering Equipment comprised or required to be comprised in that Metering System;
- (b) references to a Metering System include a Metering System which is to comprise Metering Equipment which a Party is or will be required to install, and references to the Registrant of a Metering System include a Party required to be the Registrant of such Metering System;
- (c) references to Metering Equipment in the context of a Metering System or its Registrant are to all of the Metering Equipment which is or is to be comprised in such Metering System;
- (d) "**commission**" means commission for the purposes of Settlement in accordance with the relevant Codes of Practice and "commissioned" and other derivative terms shall be construed accordingly.

1.1.5 Where the same Metering Equipment at an Exemptable Generating Plant is comprised in both an SVA Metering System and a CVA Metering System:

- (a) the Registrant of each such Metering System shall so inform BSCCo and shall provide to BSCCo details of, and BSCCo shall maintain a record of, such Metering Systems and the identities of the Registrants;
- (b) where there is any conflict or inconsistency between the requirements applying (pursuant to this Section L) to such Metering Equipment as

CVA Metering Equipment and as SVA Metering Equipment, then the requirements applying to CVA Metering Equipment shall apply.

1.2 Meter Operator Agents

- 1.2.1 Of the obligations (under this Section L) of the Registrant of a Metering System, those specified in Party Service Line 110 and BSCP 514 (in the case of SVA Metering Systems) or Party Service Line 180 (in the case of CVA Metering Systems) are to be performed, subject to and in accordance with the provisions of Section J, by a Meter Operator Agent appointed by such Registrant in accordance with Section J.
- 1.2.2 In accordance with Section J, the Registrant of any Metering System shall appoint, and secure that at all times while he is Registrant there is appointed, a Meter Operator Agent in respect of such Metering System.
- 1.2.3 The principal functions of a Meter Operator Agent shall be to install, commission, test, maintain and rectify faults in respect of Metering Equipment (including if applicable associated Communications Equipment), in accordance with Party Service Line 110 and BSCP 514 (in the case of SVA Metering Systems) and Party Service Line 180 (in the case of CVA Metering Systems) and any relevant BSC Procedures and Codes of Practice.
- 1.2.4 The Registrant of each Metering System shall comply with or (as appropriate) procure that the relevant Meter Operator Agent complies with the requirements of Party Service Line 110 and BSCP 514 (in the case of a SVA Metering System) and Party Service Line 180 (in the case of a CVA Metering System).

1.3 Limitation

- 1.3.1 The provisions of paragraph 2.5.4(a), 3.7, 6 and 7 shall only apply to, and in respect of, Metering Systems which are not at Domestic Premises and all visiting, access, inspection, testing and similar rights in such provisions shall be read and construed accordingly.

1.4 Third Party Generating Plant

- 1.4.1 Where a Party is responsible for the Exports of a Third Party Generating Plant, that Party, as Registrant of the relevant Metering System, shall be responsible for obtaining such rights in relation to property of the Third Party Generator as will enable the Party to provide (pursuant to this Section L) such access and other rights as would be required to be provided by the Third Party Generator if it were itself a Party and the Registrant.

1.5 Small Scale Third Party Generating Plant Limit

- 1.5.1 For the purpose of the Code the "Small Scale Third Party Generating Plant Limit" shall be an amount determined by the Panel and approved by the Authority.
- 1.5.2 The Panel may revise the amount of the Small Scale Third Party Generating Plant Limit from time to time subject to the approval of the Authority.
- 1.5.3 In revising the amount of the Small Scale Third Party Generating Plant Limit from time to time the Panel shall consult with Parties and consider the views expressed in the course of such consultation prior to making its determination (and shall provide a detailed summary of such views to the Authority).

2. METERING EQUIPMENT – BASIC REQUIREMENTS

2.1 Registrant responsibilities

2.1.1 The Registrant of each Metering System shall ensure that Metering Equipment is:

- (a) installed and commissioned (if not already installed and commissioned), and
- (b) maintained and operated,

for the purposes described in paragraph 1.1.2 in accordance with and subject to the provisions of this Section L and in accordance with the relevant Code of Practice.

2.2 Type of Metering Equipment

2.2.1 The Metering Equipment to be installed:

- (a) in the case of a CVA Metering System, shall be Half Hourly Metering Equipment;
- (b) in the case of a SVA Metering System at 100kW Premises, shall be Half Hourly Metering Equipment;
- (c) in the case of a SVA Metering System associated with any Third Party Generating Plant, except in the case of a Small Scale Third Party Generating Plant, shall be Half Hourly Metering Equipment;
- (d) in the case of a SVA Metering System other than as provided in paragraph (b) and (c), shall be Half Hourly Metering Equipment or Non-Half Hourly Metering Equipment as the Registrant shall choose.

2.2.2 A Party shall not change the basis of supply in respect of a SVA Metering System which is traded for Settlement purposes on a half-hourly basis to one which is traded on a non-half hourly basis unless:

- (a) the relevant Half Hourly Meter is replaced by a Non Half Hourly Meter; or
- (b) its half-hourly function is permanently disabled,

and, in either case, the Registrant has appointed a Non Half Hourly Data Collector and Non Half Hourly Data Aggregator for that Metering System.

2.3 New Metering Systems

2.3.1 In relation to any new CVA Metering System:

- (a) the Registrant shall ensure that Metering Equipment is installed and commissioned in accordance with paragraph 2.1.1(a) and that a proving test in accordance with BSCP 02 has been successfully completed before the registration of the Metering System becomes effective;

- (b) accordingly, in accordance with Section K1.4.3(c), the relevant connection will not be energised until the Registrant has complied with paragraph 2.1.1(a).

2.3.2 In relation to any new SVA Metering System, the Registrant shall use all reasonable endeavours to ensure that Metering Equipment is installed and commissioned in accordance with paragraph 2.1.1(a) before the registration of the Metering System becomes effective.

2.3.3 Without prejudice to any other right of other Parties, if the Registrant of a new SVA Metering System within paragraph 2.2.1(b) or (c) fails to ensure that Metering Equipment is installed and commissioned in accordance with paragraph 2.1.1(a) before the registration of the Metering System becomes effective, he shall be liable to a charge to be determined and payable in accordance with Annex S-1.

2.3.4 For the purposes of this paragraph 2.3, a "new" Metering System is a Metering System which is to comprise Metering Equipment which has not (at the relevant time) been installed and commissioned in accordance with the requirements of paragraph 2.1 and 2.2 and, for the avoidance of doubt, a Metering System shall not be considered a new Metering System for the purposes of this paragraph 2.3 by virtue only of a Registration Transfer (as defined in Section K2.6) in respect of such Metering System.

2.4 Meter Technical Details

2.4.1 The Registrant of each Metering System shall, in accordance with Party Service Line 180 (for CVA Metering Systems) or 110 and BSCP 514 (for SVA Metering Systems):

- (a) establish and maintain Meter Technical Details in respect of the Metering Equipment;
- (b) ensure that such Meter Technical Details are true, complete and accurate;
- (c) provide such Meter Technical Details to the CDCA or (as the case may be) to the relevant Data Collector.

2.5 Information and records

2.5.1 The Registrant of each Metering System shall:

- (a) comply with the requirements of Party Service Line 180 or Party Service Line 110 and BSCP 514 (as applicable) as to the provision, to the CDCA or (as the case may be) the relevant Data Collector and others, of information relating to the Metering Equipment; and
- (b) give to the BSC Auditor all such information regarding the Metering Equipment as the BSC Auditor shall reasonably require for the purposes of carrying out the BSC Audit.

2.5.2 The information to be provided under paragraphs 2.5.1(a) and (b) includes information regarding the dates and time periods for installation of new Metering Equipment and the dates and periods when such Metering Equipment is out of service.

2.5.3 The Registrant of each Metering System shall:

- (a) prepare and maintain for the life of the relevant item of Metering Equipment, complete and accurate records as required by the relevant Code of Practice or the Act (including in relation to the calibration of the Metering Equipment, the dates and results of any tests, readings, adjustments or inspections carried out and the dates on which any seal was applied or broken, the reason for any seal being broken and the persons attending any such tests, readings, inspections or sealings);
- (b) provide a copy of such records to the BSC Auditor upon request;
- (c) pass such records or copies of the same to the Meter Operator Agent appointed by its successor as Registrant.

2.5.4 The Registrant of each Metering System shall permit the BSC Auditor unrestricted access (subject to paragraphs 6.5 and 6.6) to:

- (a) the Metering Equipment, and
- (b) all data used, information held and records kept by it or its agents in operating that Metering Equipment;

and shall make available members of its staff or its Meter Operator Agent to explain the operation of that Metering Equipment and such other issues as the BSC Auditor considers relevant.

3. METERING EQUIPMENT – DETAILED REQUIREMENTS

3.1 General Obligation

3.1.1 The Registrant of each Metering System shall ensure that the Metering Equipment:

- (a) complies with the provisions of this Section L; and
- (b) meets the applicable levels of accuracy referred to in paragraph 3.5.

3.1.2 To the extent that the levels of accuracy referred to in paragraph 3.1.1(b) depend upon associated current and voltage transformers which are not in the ownership or control of the Registrant:

- (a) the Registrant shall:
 - (i) where paragraph 1.4 applies, obtain
 - (ii) in any other case, use all reasonable endeavours to obtain the agreement of the Equipment Owner to assist the Registrant; and
- (b) where the Equipment Owner is a Party he shall, subject as hereinafter provided, be required to provide reasonable assistance to the Registrant (but without prejudice to any rights of such Party to charge for such services),

in complying with the Registrant's obligations under paragraph 3.1.1 by the maintenance and repair of such current and voltage transformers in accordance with the provisions of this Section L, provided that the Equipment Owner shall not

be required by this paragraph 3.1.2 or otherwise by the Registrant to take steps which would cause it to be in breach of its obligations under the Act, its Licence, any Nuclear Site Licence (as defined in paragraph 6.7.1), the Grid Code or Distribution Code.

3.2 Compliance with Codes of Practice

3.2.1 All Metering Equipment shall comply with or exceed the requirements referred to or set out in any relevant Code of Practice (or where no Code of Practice applies, comply with Schedule 7 of the Act) or shall be the subject of and comply with a Metering Dispensation in accordance with paragraph 3.4.

3.2.2 Subject to paragraph 3.2.5 and 3.3, the relevant Code of Practice in respect of any Metering Equipment shall be the version of the Code of Practice which is expressed to be applicable to that Metering Equipment at the time that the Metering System comprising that Metering Equipment is first registered pursuant to Section K for the purposes of Settlement, and such Metering Equipment shall only be required to comply with that version of the Code of Practice, and not with any Code of Practice which in any respect later amends, modifies or supersedes that version of the Code of Practice; and references to the relevant Code of Practice in this Section L shall be construed accordingly.

3.2.3 In relation to Metering Equipment comprised in a Metering System which was registered for the purposes of settlement under-

(a) the Pooling and Settlement Agreement before the Go-live Date, paragraph 3.2.2 shall apply on the basis that references to Codes of Practice (and versions thereof) include a reference to the version of the "Code of Practice" (as defined in and for the purposes of the Pooling and Settlement Agreement) with which such Metering Equipment was, immediately before the Go-live Date, required to comply by virtue of the provisions of the Pooling and Settlement Agreement (including provisions equivalent to paragraph 3.2.2 and any savings to those provisions); or

(b) the Settlement Agreement for Scotland before the BETTA Effective Date, paragraph 3.2.2 shall apply on the basis that references to Codes of Practice (and versions thereof) include a reference to the version of the "Code of Practice" (as defined in and for the purposes of the Settlement Agreement for Scotland) with which such Metering Equipment was, immediately before the BETTA Effective Date, required to comply by virtue of the provisions of the Settlement Agreement for Scotland (including provisions equivalent to paragraph 3.2.2 and any savings to those provisions).

3.2.4 For the avoidance of doubt, where a Metering System is transferred for the purposes of Settlement from one registration system to another in accordance with the provisions of Section K, such transfer shall not be treated as:

(a) a new installation of the Metering Equipment comprised in that Metering System and, accordingly, does not need to be re-commissioned (but without prejudice to the requirement to undertake proving tests with the CDCA or the relevant Half Hourly Data Collector); nor

- (b) (for the purposes of this paragraph 3.2 only) as a new registration of that Metering System.

3.2.5 In relation to the calibration, testing and commissioning of any Metering Equipment at any time, the relevant Code of Practice shall be the latest version of the applicable Code of Practice prevailing at that time.

3.3 Material change

3.3.1 Notwithstanding paragraph 3.2, where any material change is made to any Metering Equipment, the version of the Code of Practice current at the time of that material change shall, from that time, be the relevant Code of Practice in respect of that Metering Equipment as so changed as if that date was the date of that Metering System's first commissioning.

3.3.2 In this paragraph 3.3, "**material change**" means a change to the Metering Equipment other than a change by way of repair, modification or replacement of any component which is not, in the judgement of the Meter Operator Agent acting in accordance with Good Industry Practice, a substantial part of the Metering Equipment even where an enhanced or equivalent component is used for the repair, modification or replacement rather than an identical component.

3.4 Metering Dispensations

3.4.1 If, for financial reasons or reasons of practicality, Metering Equipment to which a Code of Practice applies will not or does not comply with some or all of the requirements of that Code of Practice, the Registrant of such Metering System may make an application to the Panel for a Metering Dispensation from such requirements.

3.4.2 The Panel shall consider and may agree, on such conditions (if any) as it shall deem fit, or dismiss, such application in accordance with BSCP 32.

3.4.3 Before agreeing a Metering Dispensation under paragraph 3.4.1, the Panel shall consult with:

- (a) where the relevant Metering Equipment is connected to the Transmission System, the Transmission Company;
- (b) where the relevant Metering Equipment is connected to a Distribution System, the Distribution System Operator and, where applicable, the Transmission Company;
- (c) where any Aggregation Rules submitted by any Party (other than the Registrant) relate to the Metering System which comprises such Metering Equipment, such Party; and
- (d) such other persons if any as the Panel shall consider appropriate.

3.4.4 The Panel may, of its own initiative or upon the application of a Party, establish from time to time, in accordance with BSCP 32, Metering Dispensations from the requirements of any relevant Code of Practice, on such conditions (if any) as it shall deem fit, attaching generally to any item of Metering Equipment.

3.4.5 Before agreeing a Metering Dispensation under paragraph 3.4.4, the Panel shall consult with all Parties, and with such other persons if any as the Panel shall consider appropriate.

- 3.4.6 BSCCo shall maintain an up-to-date record of all Metering Dispensations agreed or established pursuant to this paragraph 3.4, and shall provide to the TAA a copy of such record and (promptly following making any such amendment) a copy of each amendment made to such record.
- 3.4.7 Any dispensations agreed or deemed to have been agreed (pursuant to those provisions of the Pooling and Settlement Agreement equivalent to this paragraph 3.4) by the Pool Executive Committee before the Go-live Date shall be deemed, with effect from the date at which they were so agreed or applied, to have been effectively agreed or established as Metering Dispensations in accordance with the provisions of this paragraph 3.4.
- 3.4.8 The obligations under this Section L of the Registrant of any Metering System shall be construed subject to the terms and any conditions of any applicable Metering Dispensation.

3.5 Calibration And Accuracy Of Metering Equipment

- 3.5.1 Non Half Hourly Metering Equipment shall be accurate to within the prescribed limits for such Metering Equipment referred to or set out in any relevant Code of Practice or, if no Code of Practice applies, the prescribed limits established under Schedule 7 of the Act.
- 3.5.2 Half Hourly Metering Equipment shall be accurate to within the prescribed limits for such Metering Equipment referred to or set out in the relevant Code of Practice.
- 3.5.3 The limits of accuracy referred to in the relevant Code of Practice shall be applied in any case after adjustments have been made to the Metering Equipment to compensate for any errors attributable to measuring transformers and connections thereto.
- 3.5.4 Beyond the ranges specified in the relevant Code of Practice, and/or at power factors other than unity or zero (as the case may be):
- (a) limits of accuracy will depend on the characteristics of the individual meters and measuring transformers specified for such Metering Equipment;
 - (b) in the event of uncertainty or dispute such limits of accuracy will be determined by the Panel; provided that Metering Equipment which has been commissioned will be required to comply with such levels of accuracy under any determination by the Panel prevailing at the date of its commissioning, and not under any later determination.
- 3.5.5 In this Section L a reference to the applicable limits of accuracy in relation to any Metering Equipment is to the prescribed limits applicable to that Metering Equipment in accordance with and subject to paragraph 3.5.1 or 3.5.2 as the case may be.
- 3.5.6 Without prejudice to the generality of paragraph 3.2, the Registrant of each Metering System shall ensure that the Metering Equipment shall be calibrated (in accordance with any applicable Code of Practice) in order to meet the applicable limits of accuracy.

3.6 Commissioning and maintenance of metering equipment

3.6.1 The Registrant of each Metering System shall ensure, in the case of Half Hourly Metering Systems, that the Metering Equipment shall be commissioned in accordance with the relevant issue of Code of Practice Four or, in the case of Non Half Hourly Metering Systems, in accordance with the relevant issue of the Code of Practice (if any) relating to the commissioning of Non Half Hourly Metering Systems.

3.6.2 The Registrant of each Metering System shall at its own cost and expense (but without prejudice to its rights to charge any other person for such service pursuant to another agreement or arrangement) ensure that the Metering Equipment is kept in good working order, repair and condition to the extent necessary to allow the correct registration, recording and transmission of the requisite details of the quantities of Active Energy and/or Reactive Energy measured by the relevant Metering System.

3.7 Testing and Inspection

3.7.1 Not less frequently than may be specified in the relevant Code of Practice or as may be required by statute, the Registrant of each Metering System shall ensure that routine testing is carried out to confirm the accuracy of the Metering Equipment.

3.7.2 The Registrant shall ensure that a test of the accuracy of all Metering Equipment which replaces defective or inaccurate Metering Equipment is carried out as soon as is reasonably practicable after its installation.

3.7.3 The Registrant shall:

- (a) in relation to any CVA Metering System, and
- (b) if and to the extent so required by the Panel, in relation to any SVA Metering System

give BSCCo reasonable prior notice of the date, time, place and nature of every test pursuant to paragraph 3.7.1 or 3.7.2; and BSCCo (or, if BSCCo so requires in relation to CVA Metering Systems, the CDCA) shall have the right to attend such test.

3.7.4 If the Registrant of any Metering System or any other Party or (in the case of a CVA Metering System) the CDCA has reason to believe that the Metering Equipment is not performing within the applicable limits of accuracy, or otherwise for any reason is incorrectly recording data, the Registrant or such other Party or the CDCA shall so notify:

- (a) BSCCo;
- (b) (in the case of another Party or the CDCA), the Registrant; and
- (c) the relevant Distribution System Operator and/or the Transmission Company as appropriate.

3.7.5 If BSCCo is notified (under paragraph 3.7.4(a)) or otherwise has reason to believe that any Metering Equipment is not performing within the applicable limits of accuracy:

- (a) BSCCo may require the Registrant to inspect and then test the accuracy of such Metering Equipment within a reasonable time after

receiving notification of such requirement pursuant to this paragraph 3.7.5, whereupon the Registrant shall carry out such test in the presence of a representative of BSCCo; or

- (b) BSCCo may, without giving notice to the relevant Registrant, arrange for the inspection of such Metering Equipment by a person (which may be the CDCA in the case of CVA Metering Equipment) or persons who is/are suitably qualified in the operation of Metering Equipment within a reasonable time, and for such person(s) to make such tests as such person(s) shall deem necessary to determine its accuracy; and the Registrant shall co-operate with such person(s) in carrying out such tests.

3.7.6 Subject to paragraph 3.7.7, the costs of any such test referred to in paragraph 3.7.5 shall be borne by the Registrant (but without prejudice to its right to charge any other person for such service pursuant to another agreement or arrangement), save that BSCCo shall bear the costs of attendance of any person pursuant to paragraph 3.7.5(b).

3.7.7 Where any Metering Equipment passes all inspections and tests required pursuant to paragraph 3.7.5, the costs reasonably incurred by the Registrant in carrying out such inspections and tests shall be borne by BSCCo.

3.7.8 Any test carried out pursuant to this paragraph 3.7 shall comply with the relevant Code of Practice.

3.7.9 In this paragraph 3.7, reference to testing shall include the use and installation of a check meter, if appropriate.

3.8 Sealing and Security

3.8.1 ~~The Subject to Section 16.7.1 the~~ Registrant of each Metering System shall procure that the Metering Equipment shall be sealed in accordance with the relevant Code of Practice and, if applicable, the Act.

3.8.2 The Registrant shall procure that the Metering Equipment shall be as secure as is practicable in all the circumstances.

3.8.3 Each Licensed Distribution System Operator shall, with respect to a Half Hourly Metering System registered in SMRS in relation to which data is required to be submitted for Settlement before the Initial Volume Allocation Run, notify the relevant Supplier registered in its SMRS system if any seal relating to that Metering System has been, or is likely to be broken by that Licensed Distribution System Operator for more than 24 hours or which is, or is due to be, remade, in all cases as soon as reasonably practicable (including, if reasonably practicable, before breaking or remaking such seal) stating, in the case of a notification of the breaking of a seal, the reason for breaking such seal.

3.9 Defective Metering Equipment

3.9.1 If at any time any Metering Equipment is destroyed or damaged or otherwise ceases to function, or is or is found to be outside the applicable limits of accuracy, the Registrant shall, subject to compliance with its obligations under paragraph 3.8, adjust, renew or repair the same or replace any defective component so as to ensure that such Metering Equipment is back in service and the Metering

Equipment is operating within the applicable limits of accuracy as quickly as is reasonably practicable in all the circumstances.

4. DISPUTES

4.1 Tests in support of disputes

4.1.1 Any testing of Metering Equipment required (in accordance with Section W) to resolve any Trading Dispute shall be carried out or procured by the Registrant:

- (a) on the relevant Metering Equipment mounted in its operational position; and
- (b) in the presence:
 - (i) if BSCCo so requires, of a representative of BSCCo or (in the case of CVA Metering Equipment) the CDCA, and
 - (ii) the relevant Distribution System Operator and/or the Transmission Company as appropriate.

4.1.2 All such testing will be carried out in accordance with the relevant Code of Practice including, where applicable, any relevant Metering Dispensation.

4.2 Comparison of test performance

4.2.1 The test performance of any Metering Equipment shall be compared with calibrated test equipment by one of the following methods:

- (a) injecting into the measuring circuits (excluding the primary current and voltage transformers) and comparing the readings or records over such period as may be required by the relevant Code of Practice including, where applicable, any relevant Metering Dispensation to ensure a reliable comparison; or
- (b) where practicable, operating the calibrated test equipment from the same primary current and voltage transformers as the Metering Equipment under operating conditions and comparing the readings or recordings of the Metering Equipment and the calibrated test equipment over such period as may be required by the relevant Code of Practice including, where applicable, any relevant Metering Dispensation; or
- (c) in exceptional circumstances, such other method as may be specified by the Panel.

4.3 Laboratory testing

4.3.1 If the Panel so requires, Metering Equipment which fails any test whilst in its operational position shall be tested under laboratory conditions in accordance with the relevant Code of Practice, and the Registrant shall procure such test.

4.4 Witnessing tests

- 4.4.1 In addition to any persons attending pursuant, where applicable, to paragraph 4.1.1(b), if the Panel so determines, up to two persons nominated by BSCCo and representing all Parties who have an interest in the Trading Dispute, and in addition (unless otherwise attending pursuant to paragraph 4.1.1(b)) the relevant Distribution System Operator or the Transmission Company, as appropriate, shall be entitled to witness tests taken as a result of a Trading Dispute, including tests confirming the calibration of test equipment, or inspect evidence of valid calibration, or valid calibration certificates, as appropriate.

4.5 Costs of testing

- 4.5.1 Except as otherwise provided in Section W, the costs reasonably incurred by the Registrant in carrying out any such test as referred to in paragraph 4.1, and the costs of attendance of BSCCo and any person nominated by it under paragraph 4.4, shall be borne by BSCCo.

5. METERING DATA

5.1 Ownership of Metering Data

- 5.1.1 Subject to paragraphs 5.1.2 and 5.1.3, and without prejudice to Section H4.6, the Registrant of a Metering System shall own the metering data acquired from such Metering System, and may provide to any person access to and use of such data.
- 5.1.2 Subject to paragraph 5.1.3, the Customer (in relation to a Metering System at any premises) or Third Party Generator (in relation to a Metering System at Third Party Generating Plant) shall be entitled to access, obtain and use metering data relating to that Metering System without charge.
- 5.1.3 The Registrant shall not exercise any rights in relation to, or provide to any person use of or access to, metering data in a manner which would interfere with Settlement or would otherwise be inconsistent with giving effect to the Code.

5.2 Access to and Use of Metering Data

- 5.2.1 Without prejudice to Section H4.6, the Registrant of each Metering System shall provide access to, and hereby authorises the use of, metering data, to and by:

- (a) the Panel, any Panel Committee, BSCCo and each BSC Agent; and
- (b) in the case of an Interconnector, the relevant Interconnector Administrator, Interconnector Error Administrator and Interconnector Users

(each a "**data recipient**", which term shall include any officer, director, employee, agent or adviser of the same), without charge, for all purposes for which each such data recipient requires such access and use pursuant to or in order to give effect to the Code, but not for any other purposes.

- 5.2.2 A data recipient may release metering data (which is provided, or access to which is provided, to it pursuant to paragraph 5.2.1) to another person only to the extent to which:

- (a) that other person is authorised to have access to and use of such data pursuant to paragraph 5.2.1, or

- (b) that other person is entitled to access and use of such data pursuant to any other provision of the Code, or
- (c) the Code expressly provides for such release (including pursuant to Section V).

5.2.3 The Registrant of each Metering System shall provide metering data to:

- (a) each other Party; and
- (b) any other person,

who (in either case) is entitled to receive such data in accordance with the Code.

5.2.4 The Registrant of each Metering System (or, as the case may be and as provided for elsewhere in the Code, the SVAA or the CDCA) shall without charge provide relevant metering data to, and authorises the use of such data by:

- (a) the relevant Distribution System Operator for the purposes only of the operation of the relevant Distribution System and the calculation of charges for use of and connection to such Distribution System;
- (b) the Transmission Company for the purposes only of the operation of the Transmission System, and the calculation of charges for use of and connection to the Transmission System.

5.2.5 For the purposes of paragraph 5.2.4, "relevant metering data" means:

- (a) in the case of SVA Metering Systems, the metering data specified in BSCP 508 and BSCP 520;
- (b) in the case of CVA Metering Systems, the metering data specified as being sent to the Transmission Company and/or the relevant Distribution System Operator in Table 5 of Section V.

5.2.6 Each Party agrees to the release and use of data referred to in paragraph 5.2.4 on the terms and conditions of such paragraphs, and confirms that it will not have the right to charge the relevant Distribution System Operator or Transmission Company for such release or use.

6. ACCESS TO PROPERTY

6.1 Grant and procurement of rights

6.1.1 Each Party hereby grants to the Invitees specified in paragraph 6.1.4 the rights specified in that paragraph in relation to any part of the relevant property.

6.1.2 The Registrant of each Metering System shall:

- (a) where paragraph 1.4 applies, procure,
- (b) in any other case, use all reasonable endeavours to procure

for the benefit of the Invitees specified in paragraph 6.1.4 the rights specified in that paragraph in relation to any part of the relevant property.

6.1.3 In this paragraph 6 the "**relevant property**" is:

- (a) for the purposes of rights to be granted by a Party under paragraph 6.1.1, the property of that Party;
- (b) for the purposes of rights to be procured by the Registrant of a Metering System under paragraph 6.1.2, the property:
 - (i) of each Customer in respect of which the Registrant is the supplier;
 - (ii) of the Third Party Generator at each Third Party Generating Plant for whose Exports the Registrant is responsible in accordance with Section K1.2.2;
 - (iii) of any other person who is not a Party (a "**Third Party**") the exercise of whose rights would prevent the Registrant or any Invitee or any other Party from performing its obligations under this Section L or the Code and the existence of whose rights is known, or ought reasonably be known, to that Registrant.

6.1.4 The rights referred to in paragraphs 6.1.1 and 6.1.2 are:

- (a) for any Invitee, full right to enter upon and through and remain upon, or do any other act contemplated by this Section L or Section R or Section S which would otherwise constitute a trespass upon, any part of the relevant property;
- (b) for the BSC Auditor, full right to perform such tasks and to do all such acts and things as are necessary for the purpose of performing audits, tests, reviews and checks for the purposes of the BSC Audit, including full right to carry out such tests on Metering Equipment, provided that the person or persons allocated to carry out such tests by the BSC Auditor is or are suitably qualified in the operation of Metering Equipment;
- (c) for the CDCA, full right to undertake on-site inspections, tests, checks and readings on Metering Equipment in connection with the validation of Aggregation Rules pursuant to Section R3.4 and in connection with witnessing and sealing obligations pursuant to Section R6.1.2 and 16.7.1 and Meter Advance Reconciliation obligations pursuant to Section R6.2, and
- (d) for the TAA(s), full right to undertake on-site tests and checks and to report on Metering Systems in relation to their compliance with the relevant Code of Practice and this Section L;

but in each case only to the extent such rights are necessary for the purposes of the Code, and subject to the other provisions of this paragraph 6.

6.1.5 For the avoidance of doubt, the Registrant of any Metering System will need to procure (and is responsible for procuring) appropriate rights of access for its Meter Operator Agent; and this paragraph 6 does not address such rights of access.

6.2 Invitees

- 6.2.1 For the purposes of the Code, each of the following shall be an Invitee:
- (a) the Panel and any Panel Committee acting through any reasonably nominated employee, agent or contractor of BSCCo;
 - (b) BSCCo acting through any reasonably nominated employee, agent or contractor;
 - (c) the TAA and the CDCA, acting through any reasonably nominated employee, agent or contractor;
 - (d) the BSC Auditor acting through any partner or employee;
 - (e) the Transmission Company, acting through any reasonably nominated employee, agent or contractor.

6.3 Failure to procure access

6.3.1 If, after having used all such reasonable endeavours to procure access rights in accordance with paragraph 6.1.2, the Registrant of a Metering System has been unable to procure any such rights, the Registrant shall so notify the Panel and the Authority.

6.3.2 Each Invitee shall be entitled to assume that the consents of any Customer, Third Party Generator or Third Party shall have been obtained in accordance with the provisions of paragraph 6.1.2 until such time as it is fixed with notice to the contrary.

6.4 Further provisions as to access

6.4.1 The rights of access provided for in paragraph 6.1 shall include, but not be limited to, the right to bring on to the relevant property such vehicles, plant, machinery and maintenance or other materials and such persons as shall be reasonably necessary for the purposes of the Code.

6.4.2 Each Party shall ensure, and the Registrant of each Metering System shall use all reasonable endeavours to ensure, that any particular authorisation or clearance which is required to be given to ensure access to any Invitee, in accordance with paragraph 6.1.1 or (as the case may be) 6.1.2, is available on arrival of the Invitee.

6.5 Safe access

6.5.1 Subject to the right of BSCCo to require inspection without notice pursuant to paragraph 3.7.5(b), the Registrant of each Metering System shall use all reasonable endeavours to procure that all reasonable arrangements and provisions are made, and revised from time to time, as and when necessary or desirable to facilitate the safe exercise by any Invitee of any right of access granted pursuant to paragraph 6.1 with the minimum of disruption, disturbance and inconvenience.

6.5.2 Such arrangements and provisions may, to the extent that the same are reasonable, limit or restrict the exercise of such right of access and/or provide for the Registrant to make directions or regulations from time to time in relation to a specified matter.

6.5.3 Matters to be covered by such arrangements and/or provisions include:

- (a) the identification of any relevant Metering Equipment;

- (b) the particular access routes applicable to the land in question having particular regard to the weight and size limits on those routes;
- (c) any limitations on times of exercise of the right of access;
- (d) any requirements as to prior notification and as to authorisation or security clearance of individuals exercising such right of access and procedures for obtaining the same;
- (e) the means of communication by the Registrant (to all persons, agents, employees and/or contractors who may be authorised from time to time to exercise such right of access) of any relevant directions or regulations made by the Registrant;
- (f) the identification of and arrangements applicable to personnel exercising the right of access granted under paragraph 6.1;
- (g) where relevant, compliance with any code of practice on procedures with respect to site access approved by the Authority pursuant to any Licence; and
- (h) disclosure of any known hazards on the site.

6.5.4 BSCCo shall take all reasonable steps to secure that any Invitee agrees to observe and perform any such arrangements and all provisions (or directions or regulations issued pursuant thereto), failing which in any particular case the Registrant may take reasonable steps to ensure that, as a condition of exercising any right of access pursuant to paragraph 6.1, each Invitee shall agree to observe and perform the same.

6.6 Damage

6.6.1 BSCCo shall take all reasonable steps to secure that each Invitee takes all reasonable steps (or, where the Transmission Company is the Invitee, the Transmission Company shall take all reasonable steps), in the exercise of any right of access under paragraph 6.1, to:

- (a) avoid or minimise damage in relation to any relevant property; and
- (b) cause as little disturbance and inconvenience as possible to any other Party, Customer, Third Party Generator, Third Party or other occupier of any relevant property;

and shall make good any damage caused to such property in the course of the exercise of such rights as soon as may be practicable.

6.6.2 Subject to paragraph 6.6.1, all such rights of access shall be exercisable free of any charge or payment of any kind.

6.7 Licence restricted parties

6.7.1 This paragraph 6.7 shall apply to any area owned or occupied by any Party, Customer, Third Party Generator or Third Party (in this Section L, each a "**Licence Restricted Party**") which is the holder of or is subject to a licence granted under the Nuclear Installations Act 1965 (in this paragraph 6.7, a "**Nuclear Site Licence**") or is subject to restrictions in relation to a Nuclear Site Licence, where such area is subject to that Nuclear Site Licence.

6.7.2 This paragraph 6.7 shall take precedence over any contrary provisions of this Section L.

6.7.3 No Party or Invitee shall enter or attempt to enter or permit or suffer any person to enter or attempt to enter any area owned or occupied by the Licence Restricted Party to which a Nuclear Site Licence applies except strictly in accordance with the provisions, restrictions and conditions of the Nuclear Site Licence.

6.7.4 The Licence Restricted Party shall be entitled to take reasonable action of any kind whatsoever relating to or affecting access to its property as it considers on reasonable grounds to be necessary in order to enable the Licence Restricted Party to comply with the provisions, restrictions and conditions of a Nuclear Site Licence or avert or minimise any reasonably anticipated breaches thereof.

6.8 Denial of access

6.8.1 The Panel, any Panel Committee, BSCCo and any BSC Agent shall not be held in breach of any duty or obligation under the Code to the extent that it is unable to perform such duty or obligation by reason of its being denied necessary access to Metering Equipment.

7. TECHNICAL ASSURANCE OF METERING SYSTEMS

7.1. General

7.1.1 The role of the TAA is to monitor compliance by Parties with the requirements, in relation to Half Hourly Metering Systems, of this Section L, Codes of Practice and BSC Procedures, and identify cases where such requirements are not being complied with ("**non-compliance**").

7.1.2 For the purposes described in paragraph 7.1.1, the TAA shall make arrangements for spot visits ("**inspections**") by suitably qualified inspectors at the sites where Metering Equipment is installed.

7.1.3 In this paragraph 7 references to Metering Systems are to Half Hourly Metering Systems.

7.2 Provision of information

7.2.1 Each SMRA and the CDCA shall submit to BSCCo details of the Half Hourly Metering Systems and the associated Registrants respectively registered in SMRS or CMRS in accordance with BSCP 27 or (as respects SVA Metering Systems) the relevant provisions of the MRA.

7.2.2 BSCCo shall periodically submit to the TAA, in accordance with BSCP 27, a list of the Metering Systems and the associated Registrants, from which sample visits shall be selected in accordance with paragraph 7.3.

7.2.3 The Registrant of each Metering System shall provide the TAA with records, data and other information in accordance with BSCP 27, and each Party irrevocably agrees to the release to and use by the TAA of all such records, data and other information in the circumstances described in this Section L.

7.2.4 The CDCA shall provide the TAA with such Meter Technical Details in relation to CVA Metering Systems as the TAA may request in accordance with BSCP 27.

7.3 Site Selection

7.3.1 BSCCo shall determine and instruct to the TAA, in relation to each BSC Year, consistent with any guidance or instructions from the Panel, and in accordance with BSCP 27, the total number of Metering Systems to be inspected.

7.3.2 The TAA shall select the sample of Metering Systems to be inspected in each BSC Year in accordance with BSCCo's instructions under paragraph 7.3.1 and consistent with the further provisions of this paragraph 7.3 and in accordance with BSCP 27.

7.3.3 The sample shall be selected consistent with the following principles:

- (a) the sample shall allow for:
 - (i) inspection ("**targeted inspection**") of a number of Metering Systems in relation to which non-compliance is suspected, as notified by BSCCo to the TAA or on the basis of the information provided to the TAA by other persons;
 - (ii) inspection ("**re-inspection**") of a number of Metering Systems in relation to which non-compliance was previously identified and has subsequently been reported to have been rectified by the Registrant;
- (b) the sample shall be representative of the Metering Systems respectively registered in CMRS and each SMRS;
- (c) the sample shall be representative of:
 - (i) Meter Operator Agent;
 - (ii) type of Metering Equipment;
 - (iii) Code of Practice;
 - (iv) Registrant;
 - (v) GSP Group (for SVA Metering Systems);
 - (vi) previous inspection(s);

and shall not be biased towards any one Registrant, Meter Operator Agent, GSP Group or type of Metering Equipment.

7.4 Site Visits

7.4.1 The TAA shall notify the Registrant whose Metering System(s) are selected for inspection, giving the Registrant such period of notice prior to the inspection as may be required in accordance with BSCP 27.

7.4.2 The TAA shall invite the Registrant or a nominated representative to attend the inspection, and the Registrant shall ensure that the Meter Operator Agent attends (by a suitably competent person).

7.4.3 The Registrant shall confirm to the TAA in accordance with BSCP 27:

- (a) the attendance of the Meter Operator Agent; and
- (b) the identity of other attendees who will be present.

7.4.4 The Registrant shall, in accordance with BSCP 27, make appropriate arrangements to ensure access to all elements of the Metering Equipment being inspected in accordance with the requirements of paragraph 6.

7.4.5 The Registrant shall bear all costs of its and its Meter Operator Agent's attending an inspection (but without prejudice to its right to charge any other person for such service pursuant to another agreement or arrangement).

7.5 Non-Compliance

7.5.1 The TAA shall determine that a Metering System is non-compliant if, after taking account of any applicable Metering Dispensations, the requirements of the Code and the relevant Code(s) of Practice are not being adhered to and if configurable meter parameters are not consistent with the Meter Technical Details supplied by the Registrant.

7.5.2 Where a Metering System has been determined to be non-compliant, the Registrant shall:

- (a) ensure that the non-compliance is rectified, to the extent to which it can be rectified directly by the Meter Operator Agent;
- (b) otherwise, take all reasonable steps to ensure that a person which can directly rectify the non-compliance does so.

7.5.3 Following the rectification of a Metering System which is materially non-compliant, BSCCo shall, where in its discretion it considers it appropriate to do so having regard to the nature of such rectification, require the Registrant to carry out the relevant Code of Practice Four tests and validation testing in accordance with the relevant BSC Procedures and the TAA may attend and/or request details of any such testing carried out.

7.5.4 For the purposes of paragraph 7.5.3, a Metering System is "materially non-compliant" if the TAA considers that the non-compliance of that Metering System is likely to affect the quality of data used in Settlement.

7.5.5 The Registrant of a Metering System determined by the TAA to be non-compliant following an inspection may refer to the Panel the question of whether the requirements referred to in paragraph 7.5.1 are being adhered to in relation to the Metering System.

7.6 Reporting

7.6.1 On completion of an inspection, the TAA shall issue notices of compliance or non-compliance to the Registrant and BSCCo by the date required under BSCP 27.

7.6.2 Where a Metering System is determined by an inspection to be non-compliant, the TAA shall provide the Registrant with a report detailing the areas of non-compliance.

7.6.3 The TAA shall provide the Registrant with a reminder, in the form of a re-issued non-compliance report, if the Registrant has failed to rectify the non-compliance by the date required under BSCP 27.

- 7.6.4 In relation to each month the TAA shall, by the date required under BSCP 27:
- (a) submit a report (in a format approved by BSCCo) summarising all inspections falling due within that month; and
 - (b) after amending the report to take account of any comments of BSCCo, submit the report to the Panel, the Performance Assurance Board and the BSC Auditor.

SECTION M: CREDIT COVER AND CREDIT DEFAULT

1. GENERAL

1.1 Introduction

1.1.1 This Section sets out:

- (a) the basis on which a Trading Party's Energy Indebtedness will be calculated;
- (b) the basis on which Trading Parties may provide Credit Cover in respect of their Energy Indebtedness;
- (c) the basis on which a Trading Party's Energy Credit Cover will be determined;
- (d) circumstances which will constitute Credit Default in relation to a Trading Party, and the consequences of such Credit Default;
- (e) arrangements for payment of compensation to Trading Parties in certain circumstances where errors have been made in calculations under this Section M.

1.2 Energy Indebtedness

1.2.1 For the purposes of the Code:

- (a) in relation to a Settlement Period j the "**Energy Indebtedness**" (EI_{pj} , in MWh) of a Trading Party p shall be the algebraic sum of:
 - i) the algebraic sum of Actual Energy Indebtedness for Trading Party p for those Settlement Days d within the 29 day period for which (at Gate Closure for Settlement Period j), Gate Closure has passed for the first Settlement Period of the Settlement Day following that on which the Settlement Calendar specifies that the Interim Information Settlement Run for Settlement Day d is to take place (but excluding those days for which, as a result of a delay in the Interim Information Settlement Run in accordance with Section T1.4, the ECVAA does not receive the Interim Information Settlement Run data from the SAA by Gate Closure for the first Settlement Period of the Settlement Day containing Settlement Period j); and
 - ii) the algebraic sum of Credit Assessment Energy Indebtedness for Trading Party p in relation to that Settlement Period and all prior Settlement Periods in days falling within the 29 day period for which paragraph 1.2.1(a)(i) does not apply;
- (b) a reference to a Trading Party's Energy Indebtedness at any time is to its Energy Indebtedness in relation to the latest Settlement Period for which Gate Closure occurred before such time;
- (c) in relation to a Settlement Period, the 29 day period means the period of 29 Settlement Days expiring on (and including) the Settlement Day which includes that Settlement Period;
- (d) for the purposes of paragraph 1.2.1(a)(i), where (by Gate Closure for the first Settlement Period of the Settlement Day containing the Settlement Period j), the ECVAA has not received the Interim Information Settlement Run data from the

SAA in accordance with Section T5.3.5 for any Settlement Day d within the 29 day period to which paragraph 1.2.1(a)(i) applies (other than as a result of a delay in the Interim Information Settlement Run in accordance with Section T1.4), the ECVAA shall use the Credit Assessment Energy Indebtedness for the Settlement Periods in that Settlement Day d but without prejudice to paragraph 4; and

- (e) in relation to a Trading Party and Settlement Day, where BSCCo:
- i) is aware that the ECVAA has not received relevant Interim Information Settlement Run data from the SAA in accordance with Section T5.3.5; or
 - ii) has substantial evidence or other reasons to believe that the data to be derived from the Initial Settlement Run for that Trading Party and that Settlement Day are likely to be significantly different (in the context of that particular Trading Party) from the corresponding Interim Information Settlement Run data received by the ECVAA from the SAA in accordance with Section T5.3.5;

the absence of such data or the likelihood of such a significant difference (as the case may be) may, if BSCCo so decides and to the extent that it materially affects matters, constitute a material doubt for the purposes of paragraph 3.4.3(a)(ii).

- (f) where a Trading Party elects to submit, to BSCCo, such evidence as is referred to in paragraph 1.2.1(e), BSCCo must review that evidence as soon as practicable after receiving it, but must verify any opinion formed in relation to such evidence as soon as practicable after receiving a Level 1 Default notice (in accordance with paragraph 3.2.1(a)(ii)) in relation to that Trading Party.

1.2.2 For the purposes of paragraph 1.2.1, the Credit Assessment Energy Indebtedness (CEI_{pj} , in MWh) of a Trading Party in relation to a Settlement Period shall be determined as follows:

$$CEI_{pj} = - (\sum_{a,i} CAQCE_{iaj} - \sum_a QABC_{aj})$$

where:

- (a) summation on 'a' extends to the Production Energy Account and Consumption Energy Account of the Trading Party, and
- (b) $CAQCE_{iaj}$ is the Credit Assessment Credited Energy Volume in accordance with paragraph 1.2.3.

1.2.3 The Credit Assessment Credited Energy Volume ($CAQCE_{iaj}$, in MWh) shall be determined:

- (a) for each BM Unit which is a Consumption BM Unit, and for each Energy Account which is a Subsidiary Energy Account for that BM Unit, as follows:

$$CAQCE_{iaj} = (SPD * BMCAIC_i) * (QMPR_{iaj}/100) + QMFR_{iaj}$$

- (b) for each BM Unit which is a Production BM Unit, and for each Energy Account which is a Subsidiary Energy Account for that BM Unit, as follows:

$$CAQCE_{iaj} = (SPD * BMCAEC_i) * (QMPR_{iaj}/100) + QMFR_{iaj}$$

- (c) for each BM Unit which is a Consumption BM Unit, for the Energy Account which is the Lead Energy Account for that BM Unit, as follows:

$$CAQCE_{iaj} = (SPD * BMCAIC_i) - \sum_a CAQCE_{iaj}$$

- (d) for each BM Unit which is a Production BM Unit, for the Energy Account which is the Lead Energy Account for that BM Unit, as follows:

$$CAQCE_{iaj} = (SPD * BMCAEC_i) - \sum_a CAQCE_{iaj}$$

where, for the purposes of paragraphs 1.2.3(c) and 1.2.3(d) only, \sum_a represents the sum over all Energy Accounts other than the Lead Energy Account.

- 1.2.4 A change in the value of BM Unit Credit Assessment Export Capability or BM Unit Credit Assessment Import Capability for a BM Unit shall apply for the purposes of the determination of values of Credit Assessment Credited Energy Volume (for relevant Trading Parties) in respect of Settlement Periods from and including the first Settlement Period of the day on which, in accordance with paragraph 1.6, the change becomes effective.

- 1.2.5 For the purposes of paragraph 1.2.1, in relation to a Settlement Day d, the Actual Energy Indebtedness of Trading Party p (AEI_p , expressed in MWh) shall be determined as follows:

$$AEI_p = \text{Trading Charges} / \text{CAP}$$

where:

- (a) CAP is the Credit Assessment Price in accordance with paragraph 1.4 prevailing at the time the relevant calculation is to be made by the ECVAA; and
- (b) The Trading Charges are the single net credit or debit amount (expressed in £) for that Trading Party, determined by the Interim Information Settlement Run, for Settlement Day d as referred to in paragraph T5.3.3 (c).

- 1.2.6 The ECVAA shall determine each Trading Party's Energy Indebtedness in relation to each Settlement Period as soon as reasonably practicable after Gate Closure for that Settlement Period.

1.3 Authority for steps under Sections M and P

- 1.3.1 In relation to the provisions of this Section M and Section P (and without prejudice to the generality of Section U2.6, but without prejudice to the ability of a Trading Party to raise a Trading Dispute), each Trading Party:

- (a) acknowledges that the calculation of Energy Indebtedness and other matters to be calculated under this Section M involves the possibility of error;
- (b) agrees that (subject to paragraph 3.2.4) the steps provided for in paragraph 3 and Sections P2.4 and P3.4 are to be taken notwithstanding any such error;
- (c) acknowledges that such Trading Party may avoid any such steps being taken, including by providing additional Credit Cover (on the basis that it may withdraw such additional Credit Cover in accordance with paragraph 2.3.3 following resolution of such error).

- 1.3.2 Each Trading Party:

- (a) hereby authorises the Panel, any Panel Committee, BSCCo, the ECVAA and the SAA to take any step contemplated by paragraph 3 and Sections P2.4 and P3.4; and
- (b) agrees that (without prejudice to the generality of any other provision of the Code which limits or excludes liability), the Panel, each Panel Committee, BSCCo, and each BSC Agent shall have no liability (in contract or tort including negligence or otherwise) to such Trading Party for the taking of any such step, except as provided in paragraph 4, and waives any such liability that any such body or person might otherwise have.

1.3.3 Nothing in paragraph 1.3.2(b) shall exclude or limit the liability of any person for death or personal injury resulting from that person's negligence.

1.4 Credit Assessment Price

1.4.1 For the purposes of the Code the "**Credit Assessment Price**" shall be such amount (in £/MWh) as the Panel shall from time to time determine, after consultation with Trading Parties, as the price which it would be appropriate to use to determine the equivalent financial amount of Trading Parties' Energy Indebtedness for the purposes of this Section M.

1.4.2 Whenever the Panel determines to revise the Credit Assessment Price:

- (a) the Panel shall notify the revised Credit Assessment Price to each Trading Party, the FAA and the ECVAA;
- (b) the revised Credit Assessment Price shall be effective for the purposes of the Code from the date specified by the Panel, which shall not be earlier than the 20th Business Day following the date of notification by the Panel under paragraph (a).

1.5 Credit Assessment Load Factor

1.5.1 The Panel shall establish and may from time to time revise, and shall provide to BSCCo and make available to all Trading Parties, principles or guidance as to the basis on which values of Credit Assessment Load Factor are to be assigned to BM Units of different types (of such descriptions as the Panel shall decide).

1.5.2 Where (in accordance with Section K3) a Party applies to register a BM Unit or a Supplier is to be registered as holding Base BM Units:

- (a) the CRA shall so notify BSCCo;
- (b) BSCCo shall (in accordance with the prevailing principles or guidance established by the Panel under paragraph 1.5.1) determine and notify to the CRA and to the Party a value of Credit Assessment Load Factor for such (or each such) BM Unit.

1.5.3 BSCCo may from time to time determine (in accordance with the prevailing principles or guidance established by the Panel under paragraph 1.5.1) and notify to the CRA and the Lead Party a revised value of Credit Assessment Load Factor for a BM Unit, together with the date (not sooner than 20 Business Days after such notification, unless the Lead Party agrees otherwise) with effect from which such value is to become effective.

1.5.4 A Party shall, if requested by BSCCo, provide to BSCCo such information as BSCCo may reasonably so request for the purposes of determining a value or revised value of Credit

Assessment Load Factor for any BM Unit of which that Party is or has applied to be Lead Party.

1.5.5 Any value of Credit Assessment Load Factor determined and notified pursuant to paragraph 1.5.2(b) or 1.5.3 by BSCCo shall be the Credit Assessment Load Factor for the BM Unit upon its registration or (as the case may be) the effective date notified under paragraph 1.5.3, and shall be binding on all Parties for that purpose, but without prejudice to paragraph 1.5.6.

1.5.6 The Lead Party in respect of a BM Unit may, within a period of two months following:

- (a) the determination by BSCCo of a value or revised value of Credit Assessment Load Factor, or
- (b) any revision by the Panel of the principles or guidance under paragraph 1.5.1

by notice to the Panel Secretary request the Panel to re-determine the value of Credit Assessment Load Factor for the time being applying in respect of the BM Unit.

1.5.7 The Panel will consider any request of a Party pursuant to paragraph 1.5.6, wherever practicable at the next meeting of the Panel, and will either confirm the prevailing value or determine a new value of Credit Assessment Load Factor, and BSCCo shall notify the decision of the Panel to the Party and the CRA.

1.5.8 Where the Panel is requested to redetermine the value of Credit Assessment Load Factor for a BM Unit, the Panel may do so without reference to the principles and guidance for the time being established under paragraph 1.5.1 if it considers it appropriate to do so.

1.5.9 Where the Panel determines (pursuant to paragraph 1.5.7) a new value of Credit Assessment Load Factor, that value shall become the Credit Assessment Load Factor for the BM Unit with effect from the third Business Day (or such later day as the Panel may decide) after the meeting of the Panel at which it was decided.

1.5A Annual Holiday Periods

For purposes associated with the Credit Assessment Load Factor the “Annual Holiday Periods” for any BSC Year shall be the periods:

- (a) commencing on the Thursday immediately prior to Good Friday and concluding on the Tuesday next following Easter Monday (inclusive); and
- (b) commencing on the relevant commencement day and concluding on the relevant conclusion day (inclusive) in accordance with the following table:

<i>Christmas Eve falls:</i>	<i>commencement day:</i>	<i>New Years Day falls:</i>	<i>conclusion day:</i>
Sunday	preceding Saturday	Sunday	following Tuesday
Monday	preceding Saturday	Monday	following Tuesday
Tuesday	preceding Saturday	Tuesday	following Wednesday
Wednesday	that day	Wednesday	following Thursday

Thursday	that day	Thursday	following Sunday
Friday	that day	Friday	following Sunday
Saturday	that day	Saturday	following Tuesday

1.6 Import and Export Capabilities

1.6.1 For the purposes of the Code:

- (a) the BM Unit Credit Assessment Export Capability (BMCAEC_i) for a Production BM Unit shall be the quantity (in MW) determined as follows:

$$BMCAEC_i = CALF_i * GC_i$$

- (b) the BM Unit Credit Assessment Import Capability (BMCAIC_{ij}) for a Consumption BM Unit shall be the quantity (in MW) determined as follows:

$$BMCAIC_i = CALF_i * DC_i$$

where:

CALF_i is the Credit Assessment Load Factor applying in relation to the relevant BM Unit;

GC_i is the Generation Capacity of the BM Unit;

DC_i is the Demand Capacity of the BM Unit.

1.6.2 For each BM Unit the CRA shall:

- (a) upon the registration of the BM Unit, and
 (b) thereafter upon any change in the Credit Assessment Load Factor, Generation Capacity or (as the case may be) Demand Capacity of the BM Unit

determine and record in the CRS the BM Unit Credit Assessment Export Capability or (as the case may be) BM Unit Credit Assessment Import Capability for that BM Unit.

1.7 Material Doubt Guidance

1.7.1 The Panel shall establish, and may from time to time revise, and shall provide to BSCCo and shall make available to all Trading Parties, principles or guidance as to the basis on which the existence or absence of material doubt is to be established by BSCCo for the purposes of paragraph 3.4.3(a)(ii).

2. CREDIT COVER AND ENERGY CREDIT COVER

2.1 Provision of Credit Cover

2.1.1 A Trading Party may on any Business Day provide Credit Cover by delivering to the FAA on behalf of the BSC Clearer:

- (a) a Letter of Credit valid for an initial period of not less than 3 months, and/or

- (b) cash which will be credited by the FAA on behalf of the BSC Clearer to the Reserve Account.

2.1.2 A Trading Party may from time to time (by giving notice to the FAA) alter the amounts provided (as Credit Cover) between different Letters of Credit and/or by way of Letter of Credit and cash, provided that (but without prejudice to paragraph 2.3.1) the amount of the Credit Cover provided by the Trading Party is not thereby reduced.

2.1.3 The amount of a Trading Party's Credit Cover at any time shall be:

- (a) the sum of:
 - (i) the maximum undrawn amount for the time being of any Letter of Credit delivered by it, and
 - (ii) the principal amount of any cash paid by it (for value not later than that time) and credited to the Reserve Account by the FAA on behalf of the BSC Clearer;

less

- (b) the sum of any amounts payable by the Trading Party in respect of Trading Charges which:
 - (i) have become due for payment and have not been paid by the Trading Party on the relevant Payment Date in accordance with Section N, and
 - (ii) remain unpaid at such time.

Provided that if the amount so determined is negative, the amount of the Credit Cover shall be zero.

2.1.4 The form of Letter of Credit (subject as provided in the definition thereof) is set out in Annex M-1.

2.2 Letter of Credit

2.2.1 Without prejudice to paragraphs 2.1.2 and 2.3, where a Trading Party has delivered a Letter of Credit (the "**current**" Letter of Credit) by way of providing Credit Cover:

- (a) not later than 10 Business Days before the current Letter of Credit is due to expire, the Trading Party shall:
 - (i) provide to the FAA confirmation from the issuing bank that the validity of the current Letter of Credit will be extended by a further period of not less than 3 months, or
 - (ii) provide to the FAA a new Letter of Credit, valid for a period of not less than 3 months commencing not later than the expiry of the current Letter of Credit and for an amount not less than that of the current Letter of Credit;
- (b) if at any time the issuing bank ceases to have the required credit rating specified in the definition of Letter of Credit, the Trading Party shall forthwith and in any event within 3 Business Days after notice from the FAA, either:

- (i) provide to the FAA a new Letter of Credit, issued by a bank which has such required credit rating, valid for a period of not less than 3 months; and/or
- (ii) deliver cash to the FAA on behalf of the BSC Clearer in accordance with paragraph 2.1.1

and the amount of any new Letter of Credit plus cash so delivered shall not be less than that of the current Letter of Credit;

- (c) where paragraph (b) applies, the current Letter of Credit shall continue to be counted in determining the Trading Party's Credit Cover during the period (of up to 3 Business Days) until the Trading Party provides a new Letter of Credit as referred to in that paragraph.

2.2.2 If in relation to a Letter of Credit a Trading Party fails to comply (by the time therein required) with paragraph 2.2.1(a) or (b), the FAA on behalf of the BSC Clearer shall immediately, without notice to the Trading Party, demand payment of the entire amount of the Letter of Credit and credit the Reserve Account with the proceeds.

2.2.3 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 (but any failure of the FAA to do so shall not prejudice the application of paragraphs 2.2.1 and 2.2.2).

2.3 Reduction of Credit Cover

2.3.1 If a Trading Party wishes at any time to reduce the amount of its Credit Cover:

- (a) the Trading Party shall give notice to that effect to the ECVAA;
- (b) the ECVAA shall determine and notify to the FAA and the Trading Party, on the first Business Day after the expiry of the waiting period, the minimum eligible amount;
- (c) the Trading Party may, not later than the second Business Day following the ECVAA's notification under paragraph (b), by notice to the FAA request, and the FAA on behalf of the BSC Clearer shall consent to:
 - (i) a reduction in the amount of a Letter of Credit provided by the Trading Party, and/or
 - (ii) a withdrawal of cash deposited by the Trading Party

provided that the amount of the Trading Party's Credit Cover following such reduction and/or withdrawal is not less than the minimum eligible amount and that that Trading Party is not in default of any obligation to make a payment to the BSC Clearer and (subject to paragraph 2.3.1(A) and 2.3A) is not a Defaulting Party (as defined in Section H3).

2.3.1A Where at any time a Trading Party:

- (a) is in Default solely by virtue of Section H 3.1.1(g); and
- (b) has given a Withdrawal Notice pursuant to Section A5.1 which remains effective; and

- (c) is not prevented from withdrawing from the Code or ceasing to be a party to the Framework Agreement by virtue of Section A5.1.3,

then such Trading Party shall not be precluded from being entitled to:

- (1) a reduction in the amount of a Letter of Credit provided by it; and/or
- (2) a withdrawal of cash deposited by it.

2.3.2 For the purposes of paragraph 2.3.1:

- (a) the "**waiting period**" is the period of 10 Settlement Days commencing with the Settlement Day on which the Trading Party's notice under paragraph 2.3.1(a) was received by the ECVAA;
- (b) the "**minimum eligible amount**" is the lowest amount for which the Trading Party's Credit Cover Percentage, if it were redetermined for each Settlement Period in the waiting period on the assumption that the Trading Party's Credit Cover were equal to that amount, would be not greater than 75% in relation to any such Settlement Period.

2.3.3 If at any time:

- (a) the ECVAA has given to a Trading Party a level 1 default notice which was not cancelled pursuant to paragraph 3.2.4, or notified a Trading Party that it is in Credit Default;
- (b) following such notice or notification the Trading Party provided additional Credit Cover; and
- (c) after the Trading Party provided additional Credit Cover, the ECVAA established that, or it is determined pursuant to Section W that, the level 1 default notice should not have been given or that the Trading Party was not in Credit Default

then paragraph 2.3.4 shall apply.

2.3.4 In the circumstances described in paragraph 2.3.3:

- (a) the Trading Party may reduce the amount of its Credit Cover, by an amount not exceeding the amount of the additional Credit Cover provided by it as referred to in paragraph 2.3.3(b), in accordance with paragraph 2.3, but on the basis that:
 - (i) the waiting period is a period of one Settlement Day;
 - (ii) the figure of 80% is substituted for 75% in paragraph 2.3.2(b);
- (b) except as provided in paragraph 4, the Trading Party shall have no other claim or remedy for having so provided additional Credit Cover.

2.3A Reduction of Credit Cover for Non-Supplier Trading Party

2.3A.1 Where a Non-Supplier Trading Party which is in Default solely by virtue of Section H 3.1.1 (g) wishes to reduce the amount of its Credit Cover it shall make a submission in writing.

- 2.3A.2 Following a request submitted in accordance with paragraph 2.3A.1, at the next Panel meeting following confirmation by BSCCo that the Non-Supplier Trading Party meets the conditions set out in paragraph 2.3A.5 the Panel shall consider and take a decision as to whether there is any reason why the Non-Supplier Trading Party should not be entitled to:
- (a) a reduction in the amount of a Letter of Credit provided by the Non-Supplier Trading Party; and/or
 - (b) a withdrawal of cash deposited by the Non-Supplier Trading Party.
- 2.3A.3 At the time the Panel makes its decision:
- (a) the amount of the Non-Supplier Trading Party's Credit Cover following such reduction and/or withdrawal shall be the amount calculated in accordance with paragraph 2.3.A.6; and
 - (b) the Non-Supplier Trading Party is a Trading Party which is in Default solely by virtue of Section H.3.1.1(g); and
 - (c) the Non-Supplier Trading Party meets the conditions set out in 2.3A.5.
- 2.3A.4 If the Panel considers that there is insufficient information available to it to enable it to take the decision referred to in paragraph 2.3A.2 in respect of a request by the Non-Supplier Trading Party for a reduction in Credit Cover then the Panel may defer consideration of the request until the next succeeding Panel meeting provided that, in so doing, the Panel shall prescribe the steps which need to be taken (by BSCCo, the Non Supplier Trading Party or otherwise) to enable the Panel to decide the matter at such subsequent meeting.
- 2.3A.5 In accordance with paragraph 2.3.A.2 the Non-Supplier Trading Party must meet each of the following conditions:
- (a) at the date it gives notice pursuant to paragraph 2.3A.1:
 - (i) there are no Energy Contract Volume Notifications or Metered Volume Reallocation Notifications in force, in respect of which the Trading Party is a Contract Trading Party, relating to Settlement Periods after that date and containing Energy Contract Volume Data or Metered Volume Reallocation Data with non-zero values; and
 - (ii) the Non-Supplier Trading Party has terminated all ECVNA Authorisations and MVRNA Authorisations made under its authority;
- and
- (b) the Non-Supplier Trading Party shall have paid any and all Trading Charges payable up to or on the Payment Date; and
 - (c) the Non-Supplier Trading Party shall have paid any and all BSC Charges payable up to the date that it gives notice pursuant to paragraph 2.3A.1 in accordance with Section D Annex D4 and D5; and
 - (d) the Non-Supplier Trading Party shall have completed de-registration (in accordance with Section K and BSCP 15) from ownership of any BM Units for which it was registered by the date it gives notice pursuant to paragraph 2.3A.1; and

- (e) the Non-Supplier Trading Party shall have an Energy Indebtedness of zero or less than zero continuously over the period of 30 days immediately preceding to the giving of notice pursuant to 2.3A.1.

2.3A.6 Any reduction in or withdrawal of Credit Cover in relation to 2.3A shall be made in accordance with the following sum:

The amount of Credit Required (CR, in £) required by a Non-Supplier Trading Party shall be calculated as follows:

$$\sum_{x \in (1,2,3,F)} NR_{xSP} * \frac{\sum_{Rx(j)} \max(RxC_j, 0)}{RxSP}$$

where:

RxSP is the count of all Settlement Periods falling any time up to a year before the date on which the Non-Supplier Trading Party in question ceased trading for which the Rx Reconciliation Run has been performed or if this number is less than 1440 (30 days) then 1440.

$\Sigma Rx(j)$ represents summation over all Settlement Periods falling within a year before the date on which the Non-Supplier Trading Party in question ceased trading for which the Rx Reconciliation Run has been performed or if the number of Settlement Periods in this sum is less than 1440, then the summation over the last 1440 Settlement Periods for which a which a the Rx Reconciliation Run has been performed.

RxCj represents the Reconciliation Charges (as defined in N 6.4.3) payable by the Non-Supplier Trading Party (summed across its accounts) due to the Rx Reconciliation Run in the relevant Settlement Period.

NRxSP represents the count of all Settlement Periods up to and including the date on which the Non-Supplier Trading Party ceased trading for which the Rx Reconciliation Run has not been performed.

For the purposes of Section 2.3A the date that the Non-Supplier Trading Party ceased trading shall be the earliest date on which there are no Energy Contract Volume Notifications or Metered Volume Reallocation Notifications in force in respect of which the Non-Supplier Trading Party is a Contract Trading Party and there is no credited Energy in either the Production or Consumption Account of such Non-Supplier Trading Party.

2.3A.7 For the purposes of paragraph 2.3A a Non-Supplier Trading Party shall be a Trading Party which is not:

- (a) a Supplier; or
- (b) a Subsidiary Party in a Metered Volume Reallocation Notification where the Lead Party in the Metered Volume Reallocation Notification was a Supplier where the percentage value is greater than zero;

and in all cases this shall have been the case for any Settlement Day for which a Final Reconciliation Settlement Run has not been performed.

2.3A.8 For the avoidance of doubt, paragraph 2.3.3 applies in connection with this paragraph 2.3A.

2.4 Determination of Energy Credit Cover

2.4.1 A Trading Party's "Energy Credit Cover" (ECC_p) at any time is the amount (in MWh) determined as:

$$CC_p / CAP$$

where:

CC_p is the amount of the Trading Party's Credit Cover at that time;

CAP is the Credit Assessment Price prevailing at such time.

2.4.2 The FAA shall:

- (a) monitor the amount of each Trading Party's Credit Cover;
- (b) determine in accordance with paragraph 2.4.1 the amount from time to time of each Trading Party's Energy Credit Cover;
- (c) notify to the ECVAA and the Trading Party the amount of each Trading Party's Energy Credit Cover:
 - (i) on the day on which that Party becomes a Trading Party; and
 - (ii) upon each occasion on which the amount of such Energy Credit Cover changes, as soon as reasonably practicable after becoming aware of the change (and in any event within one Business Day after the change occurs);

2.4.3 For the purposes of this Section M, a reference to the amount of a Trading Party's Energy Credit Cover is to the amount most recently notified by the FAA to the ECVAA under paragraph 2.4.2(c) (or to an amount of zero if no such amount has been so notified).

2.4.4 For the purposes of paragraph M4, the time at which (upon a change as referred to in paragraph 2.4.2(c)(ii)) the correct amount of a Trading Party's Energy Credit Cover should be notified by the FAA to the ECVAA, shall be 17:00 hours on the Business Day after the change occurred, or such earlier time as the correct amount was actually so notified.

3. CREDIT DEFAULT STATUS

3.1 General

3.1.1 In relation to any Settlement Period, a Trading Party's "Credit Cover Percentage" (CCP_{pj} , %) is:

(a) where ECC_p does not equal zero:

$$CCP_{pj} = (EI_{pj} / ECC_p) * 100$$

(b) where ECC_p equals zero:

then,

$$\text{if } EI_{pj} = 0, \text{ then } CCP_{pj} = 0$$

if $EI_{pj} > 0$, then $CCP_{pj} = + 1000$

if $EI_{pj} < 0$, then $CCP_{pj} = - 1000$

where

EI_{pj} is the Trading Party's Energy Indebtedness in relation to that Settlement Period;

ECC_p is the amount of the Trading Party's Energy Credit Cover most recently notified by the FAA under paragraph 2.4.2(c).

3.1.2 In relation to a Settlement Period, a Trading Party's Credit Cover Percentage "**becomes**" greater, or not greater, than a specified percentage where:

- (a) such Credit Cover Percentage in relation to that Settlement Period is greater, or (as the case may be) not greater, than that percentage, and
- (b) the Trading Party's Credit Cover Percentage in relation to the preceding Settlement Period was not greater, or (as the case may be) was greater, than that percentage.

3.1.3 Where under this Section M:

- (a) the ECVAA is required or entitled to take any step in relation to any Settlement Period in which a Trading Party's Credit Cover Percentage becomes greater, or not greater, or less, than a specified percentage, and
- (b) the ECVAA does not (within the time required under this Section M) take that step in relation to that Settlement Period

nothing in this Section M shall prevent the ECVAA from taking that step in relation to any later Settlement Period in relation to which that Trading Party's Credit Cover Percentage remains greater, or (as the case may be) not greater, or less, than the specified percentage.

3.1.4 The ECVAA will:

- (a) for each Settlement Period, as soon as practicable after Gate Closure, determine the Credit Cover Percentage for each Trading Party; and
- (b) for each Settlement Day, as soon as reasonably practicable after the end of the Settlement Day, notify each Trading Party of its Credit Cover Percentage as calculated in respect of the last Settlement Period in that Settlement Day.

3.2 Level 1 Credit Default

3.2.1 If in relation to any Settlement Period a Trading Party's Credit Cover Percentage, as determined by the ECVAA, becomes greater than 80%:

- (a) the ECVAA shall, as soon as possible after Gate Closure:
 - (i) give notice ("**level 1 default notice**") to the Trading Party to that effect (in addition to the notification under paragraph 3.1.4); and
 - (ii) submit a copy of such notice to BSCCo; and
- (b) the Trading Party may, at any time before the expiry of the Query Period, give notice ("**default query notice**") to the ECVAA that it considers that its Credit

Cover Percentage has been determined erroneously, and may provide information supporting its view.

- 3.2.2 In relation to any level 1 default notice, the "**Query Period**" is the period commencing at Gate Closure for the Settlement Period in relation to which the ECVAA determines that the Trading Party's Credit Cover Percentage becomes greater than 80% and ending 24 hours after the time at which the level 1 default notice is treated as received by the Trading Party (in accordance with Section O).
- 3.2.3 If a Trading Party gives a default query notice to the ECVAA:
- (a) the ECVAA shall, before the expiry of the Query Period, review its determination of the Trading Party's Credit Cover Percentage and if the Trading Party so requests, shall discuss the same by telephone with a representative of the Trading Party;
 - (b) if requested by the ECVAA, the Trading Party shall provide further information and explanation in support of its view that the ECVAA's determination of the Credit Cover Percentage was erroneous;
 - (c) at the expiry of the Query Period (and whether or not any consensus has been reached between the ECVAA and the Trading Party as to the matters notified by the Trading Party), the ECVAA will redetermine the Trading Party's Credit Cover Percentage for the relevant Settlement Period (and for the avoidance of doubt, such redetermination may be the same as its original determination), and will give notice to the Trading Party of the Credit Cover Percentage as redetermined;
 - (d) the ECVAA will correct its determination of the Trading Party's Credit Cover Percentage for any subsequent Settlement Period, so far as such determination is shown to be erroneous by reference to (or to the matters taken into account in) the ECVAA's redetermination under paragraph (c).
- 3.2.4 If the redetermined Credit Cover Percentage under paragraph 3.2.3(c) is not greater than 80% the level 1 default notice will be deemed to be cancelled and no further action taken under this paragraph 3.2 in relation to Energy Indebtedness in the relevant Settlement Period (but without prejudice to the application of this paragraph 3.2 in relation to any later Settlement Period).
- 3.2.5 If the redetermined Credit Cover Percentage under paragraph 3.2.3(c) is greater than 80%, or if no default query notice was given, the Trading Party shall secure that its Credit Cover Percentage becomes not greater than 75% in relation to at least one Settlement Period in the period (the "**default cure period**"):
- (a) commencing on the expiry of the Query Period, and
 - (b) expiring at 2400 hours on the first Business Day after the day in which the Query Period expires.
- 3.2.6 At the end of the default cure period, if the Credit Cover Percentage (as determined by the ECVAA in relation to each Settlement Period) was greater than 75% in relation to every Settlement Period in the default cure period, then subject to an authorisation notice being in force in relation to that Trading Party pursuant to paragraph 3.4 (or if later, with effect from such notice being given):
- (a) the Trading Party shall be in "**Level 1 Credit Default**";

- (b) the ECVAA shall (as soon as reasonably practicable following the expiry of the default cure period) notify the Trading Party that it is in Level 1 Credit Default and post on the BMRS or the BSC Website a Level 1 Credit Default statement in relation to the Trading Party.

3.2.7 The Trading Party will cease to be in Level 1 Credit Default with effect from Gate Closure for the next Settlement Period (if any) in relation to which the Trading Party's Credit Cover Percentage becomes not greater than 75%; and as soon as practicable after Gate Closure for that Settlement Period the ECVAA will cancel the Level 1 Credit Default statement on the BMRS or (as the case may be) the BSC Website.

3.3 Level 2 Credit Default

3.3.1 If, in relation to any Settlement Period (period J), a Trading Party's Credit Cover Percentage as determined by the ECVAA becomes greater than 90%, irrespective of whether or not Settlement Period J falls in a Query Period or a default cure period (in accordance with paragraph 3.2), then subject to an authorisation notice being in force in relation to that Trading Party pursuant to paragraph 3.4 (or if later, with effect from such notice being given):

- (a) the Trading Party shall be in "**Level 2 Credit Default**";
- (b) the ECVAA shall, as soon as reasonably practicable after Gate Closure for Settlement Period J, notify the Trading Party that it is in Level 2 Credit Default and post a Level 2 Credit Default statement on the BMRS or the BSC Website in relation to the Trading Party.

3.3.2 The Trading Party will cease to be in Level 2 Credit Default with effect from Gate Closure for the next Settlement Period (if any) in relation to which the Trading Party's Credit Cover Percentage becomes not greater than 90%; and as soon as practicable after Gate Closure for that Settlement Period the ECVAA will cancel the Level 2 Credit Default statement on the BMRS or the BSC Website.

3.3.3 Where a Trading Party is in Level 2 Credit Default:

- (a) for the purposes of the provisions of Section P as to the refusal and rejection of Energy Contract Volume Notifications and Metered Volume Reallocation Notifications, subject to paragraph 3.3.5:
 - (i) the "**Credit Default Refusal Period**" is the period from Gate Closure for Settlement Period J until Gate Closure for the Settlement Period after the first subsequent Settlement Period in relation to which the Credit Cover Percentage for the Trading Party becomes not greater than 90%;
 - (ii) the "**Credit Default Rejection Period**" is the period from Gate Closure for Settlement Period J+3 until Gate Closure for the third Settlement Period after the first subsequent Settlement Period in relation to which the Credit Cover Percentage for the Trading Party becomes not greater than 90%;
- (b) as soon as reasonably practicable after Gate Closure for Settlement Period J, the ECVAA will post on the BMRS or (as the case may be) the BSC Website a notice of the start of the Credit Default Rejection Period in relation to the Trading Party (but a failure to post such notice will have no effect in relation to the start of the Credit Default Rejection Period).

- 3.3.4 For the purposes of paragraph 3.3.3, a relevant Query Period is the Query Period in relation to any Settlement Period, not later than Settlement Period J, for which the Trading Party had given a default query notice.
- 3.3.5 The following provisions apply for the purposes of addressing delays in the completion of credit checking (and references in the Code to Credit Default Refusal Periods and Credit Default Rejection Periods shall be construed accordingly):
- (a) a Credit Default Refusal Period and a Credit Default Rejection Period shall not commence if credit checking for Settlement Period J is not completed by the half-hour deadline, but without prejudice to paragraph 3.1.3;
 - (b) a Credit Default Refusal Period excludes the period from Gate Closure for Settlement Period J until credit checking for that Settlement Period is completed;
 - (c) a Credit Default Refusal Period excludes the period (if any) from completion of credit checking for Gate Closure for the first subsequent Settlement Period referred to in paragraph 3.3.3(a)(i) until the half-hour deadline;
 - (d) if a Credit Default Refusal Period has commenced and credit checking for any Settlement Period has not been completed by the half-hour deadline, the Credit Default Refusal Period shall be suspended (and accordingly exclude the period) from the time at which the ECVAA determines that credit checking has not been completed by the half-hour deadline, until such time as credit checking for a Settlement Period is completed by the half-hour deadline;
 - (e) if a Credit Default Rejection Period has commenced and credit checking for any Settlement Period (the "relevant" Settlement Period) has not been completed by the half-hour deadline, Gate Closure for the third Settlement Period after the relevant Settlement Period shall be considered (for the purposes of the Code including Sections P2.4.2 and P3.4.2) not to fall within the Credit Default Rejection Period.
- 3.3.6 For the purposes of paragraph 3.3.5, in relation to each Settlement Period:
- (a) completion of credit checking means the time (determined by the ECVAA) at which the ECVAA completes the determination, for each Trading Party, of Credit Cover Percentage pursuant to paragraph 3.1.4(a); and references to credit checking being completed shall be construed accordingly;
 - (b) references to a case in which credit checking is not completed by the half-hour deadline include a case where the ECVAA has earlier determined that it will be unable to complete credit checking by that deadline;
 - (c) if requested by BSCCo in relation to any Settlement Period, the ECVAA will inform BSCCo of the time of completion of credit checking;
 - (d) the half-hour deadline means the time of Gate Closure for the following Settlement Period.
- 3.3.7 Without prejudice to paragraph 3.1.3, where a Trading Party has not been treated as in Level 2 Credit Default in relation to a Settlement Period, irrespective of any error made by the ECVAA in the application of the provisions of this Section M, no Party may raise a Trading Dispute to the effect that the Trading Party should have been treated as being in

Credit Default or that a Credit Default Refusal Period or Credit Default Rejection Period should have commenced in relation to the Trading Party.

3.4 Authorisation by BSCCo

3.4.1 In accordance with paragraphs 3.2.6 and 3.3.1, a Trading Party will not be in Credit Default unless:

- (a) BSCCo has given to the ECVAA a authorisation notice in relation to that Trading Party; and
- (b) the authorisation notice remains in force.

3.4.2 For the purposes of this Section M, an "**authorisation notice**" is a notice authorising the ECVAA, at any time while the notice is in force, to take the steps referred to in paragraph 3.2.6(b) and 3.3.1(b) in relation to a Trading Party.

3.4.3 Where the ECVAA submits to BSCCo a copy of a level 1 default notice under paragraph 3.2.1 in relation to a Trading Party:

- (a) BSCCo shall, promptly upon (but not earlier than) the expiry of the Query Period, give an authorisation notice to the ECVAA unless:
 - (i) BSCCo has been notified by the ECVAA that in the ECVAA's opinion there is, or
 - (ii) BSCCo otherwise has substantial evidence that, or other reasons to believe that, there is

(in accordance with paragraph 1.2.1(e) and the prevailing principles or guidance established by the Panel in accordance with paragraph 1.7) a material doubt as to whether, at the time, the systems and processes used by the ECVAA are giving correct determinations of the values of Credit Cover Percentage for that Trading Party;

- (b) subject to paragraph (c), BSCCo shall not be required to make any enquiry of the Trading Party or any other person (but in accordance with paragraph 1.2.1(f) will take into account any information already provided by the Trading Party which is relevant to the matter in paragraph (a));
- (c) if (pursuant to paragraph (a)(i) or (ii)) BSCCo withholds an authorisation notice:
 - (i) BSCCo shall investigate the matter; and
 - (ii) if at any time it concludes that there is not (or no longer is) any material doubt as to the matter in paragraph (a), BSCCo shall promptly give the authorisation notice.

3.4.4 An authorisation notice shall remain in force until such time as:

- (a) it is established or determined (as provided in paragraph 3.5.1) that the Credit Cover Percentage of Trading Party was not and has not since become greater than 80%; or

- (b) the ECVAA notifies BSCCo that the Trading Party's Credit Cover Percentage has become lower than 75% for any Settlement Period after the authorisation notice was given; or
- (c) BSCCo in its discretion determines that (as a result of the passage of time, or because of any other matter of which notice has been given to BSCCo) the authorisation notice should lapse, and gives notice to that effect to the ECVAA.

3.4.5 For the avoidance of doubt, paragraph 3.4.3 is without prejudice to the ability of a Party to raise a Trading Dispute in respect of any step taken or determination made by BSCCo or the ECVAA pursuant to this Section M.

3.4.6 Notwithstanding any other provision of this Section M, BSCCo shall and shall be treated as having refused to give to the ECVAA any authorisation notice in relation to the Replacement Supplier in respect of any Settlement Period for which Gate Closure falls within the first 14 days after the Appointment Day for such Replacement Supplier (counting the Appointment Day itself for these purposes).

3.5 Result of Trading Dispute, etc

3.5.1 If at any time a Trading Party has been treated as in Credit Default, and it is established or pursuant to the resolution of a Trading Dispute determined that (by reason of such Trading Party's Credit Cover Percentage having been erroneously determined or otherwise) such Trading Party should not have been so treated:

- (a) with effect as soon as practicable following the resolution of such Trading Dispute, BSCCo will post a notice on the BMRS or the BSC Website or both, referring to the relevant notices of Credit Default and stating that the Trading Party should not have been in Credit Default;
- (b) the ECVAA shall take account of such determination in the further application (in relation to Settlement Periods after such resolution) of this Section M in respect of that Trading Party;
- (c) the determination that the Trading Party should not have been treated as in Credit Default shall not affect or prejudice:
 - (i) the treatment (as refused or rejected) of any Energy Contract Volume Notifications or Metered Volume Reallocation Notifications which were treated as refused during the relevant Credit Default Refusal Period or treated as rejected during the relevant Credit Default Refusal Period, and no adjustment or reconciliation shall be made in respect thereof;
 - (ii) any other step taken under the Code while the Party was treated as in Credit Default,but subject thereto, the Trading Party shall be treated for the purpose of the Code as never having been in Credit Default;
- (d) the Trading Party shall have no other right or remedy in respect thereof except as described in paragraph (a) and (b) and pursuant to paragraph 4 where applicable.

3.5.2 This paragraph 3 and paragraph 4 are subject to the provisions of Section P6.

3.6 BMRS and BSC Website

- 3.6.1 Provisions of this Section M requiring any statement or notice to be posted or cancelled on the BMRS or the BSC Website shall be subject to the provisions of Section V4.

4. CREDIT COVER ERRORS AND COMPENSATION

4.1 Introduction

- 4.1.1 If a Trading Party's Credit Cover Percentage is incorrectly determined and as a result a level 1 default notice was given to the Trading Party and/or the Trading Party was in Credit Default, the Trading Party shall be entitled to be paid compensation ("**Credit Cover Error Compensation**") subject to and in accordance with the further provisions of this paragraph 4.

- 4.1.2 Any Credit Cover Error Compensation paid to a Trading Party pursuant to this paragraph 4 shall be paid by BSCCo and accordingly shall be a BSC Cost; provided that BSCCo shall not be required to include any amount in respect of such compensation in the Annual Budget or to revise the Annual Budget if any such compensation becomes payable.

- 4.1.3 The provisions of this paragraph 4 are independent of any provision of a BSC Agent Contract pursuant to which any amount may be payable (by way of damages, liquidated damages, service credit or otherwise) in respect of the circumstances resulting in a Credit Cover Error; and it is acknowledged and agreed that any such amount will be paid to BSCCo and will accordingly reduce BSC Costs.

- 4.1.4 For the purposes of this paragraph 4:

(a) there is a "**Credit Cover Error**" where the Credit Cover Percentage determined (in the application of paragraph 3) for a Trading Party in respect of any Settlement Period was incorrect, and as a result (in relation to that or any earlier Settlement Period) a level 1 default notice was given to the Trading Party or the Trading Party was in Level 2 Credit Default;

(b) in relation to a Credit Cover Error

(i) the "**first error**" Settlement Period is the first Settlement Period in relation to which the Credit Cover Error occurred (in other words, for which the incorrect Credit Cover Percentage was determined as described in paragraph (a));

(ii) the "**Credit Cover Error Period**" is the period commencing on the earlier of:

(1) in relation to the first error Settlement Period, the expiry of the Query Period (the "**error**" Query Period) , and

(2) where as a result of the Credit Cover Error the Trading Party was determined to be in Level 2 Credit Default, the start of the Credit Default Rejection Period

and continuing until the first Settlement Period (after the Credit Cover Error has been corrected) for which the Trading Party's Credit Cover Percentage Energy is determined (in the application of paragraph 3) without such error.

4.2 Credit Cover Error Compensation

4.2.1 The amount of Credit Cover Error Compensation (CCEC_p, in £) payable to a Trading Party in respect of a Credit Cover Error shall be determined as follows:

$$CCEC_p = \sum_j \max (ECA_{pj}, ECB_{pj}, 0)$$

where:

\sum_j is summation over all Settlement Periods falling within the Credit Cover Error Period;

ECA_{pj} is the Credit Cover Error Interest Amount, determined in accordance with paragraph 4.2.2;

ECB_{pj} is the Credit Cover Error Imbalance Amount, determined in accordance with paragraph 4.2.3.

4.2.2 For a Settlement Period within the Credit Cover Error Period, ECA_{pj} shall be determined as follows:

$$ECA_{pj} = \{0.02 / (365 * 48)\} * CAP * \{(EEI_{pj} / 0.8) - \max (IECC_p, (EI_{pj} / 0.8))\}$$

where:

EEI_{pj} (Erroneous Energy Indebtedness) is an amount (in £), determined as:

(i) $(ECC_p * CCP_{pj})$, or

(ii) if ECC_p is zero, EI_{pj}

in respect of the first error Settlement Period, as incorrectly determined or redetermined (on the basis of the Credit Cover Error) in the application of paragraph 3 as at the expiry of the error Query Period;

$IECC_p$ (Initial Energy Credit Cover) is the correct amount of the Trading Party's Energy Credit Cover as at Gate Closure for the first error Settlement Period;

EI_{pj} is the Trading Party's Energy Indebtedness for Settlement Period j , as correctly determined after the Credit Cover Error was corrected.

4.2.3 For a Settlement Period within the Credit Cover Error Period, ECB_{pj} shall be determined as follows:

$$ECB_{pj} = (SBP_j - SSP_j) * \sum_a \min (REJ_{aj}, QAEI_{aj}) * FLAG_{pj}$$

where:

\sum_j is summation over both Energy Accounts of the Trading Party;

REJ_{aj} (Credit Cover Error Rejection Volume) is the volume (in MWh) determined for Energy Account a of the Trading Party as the sum of:

(i) the sum of the Energy Contract Volume Data specified in Energy Contract Volume Notifications for which the Trading Party holds the Energy (From) Account less the sum of Energy Contract Volume

Data specified in Energy Contract Volume Notifications for which the Trading Party holds the Energy (To) Account,

- (ii) the aggregate of the Metered Volume Reallocation Fixed Data, and the aggregate amount determined in accordance with paragraph 4.2.5 in respect of Metered Volume Reallocation Percentage Data, which was the subject of Metered Volume Reallocation Notifications;

which (pursuant to Section P2.4.2 or P3.4.2) were treated as rejected and ineffective in respect of Settlement Period j by reason of there being a Credit Default Rejection Period in respect of the Trading Party;

FLAG_{pi} shall have the value 1 if the condition in paragraph 4.2.4 is satisfied and otherwise the value zero.

4.2.4 The condition (in relation to Settlement Period j) is that, if the Trading Party's Credit Cover Percentage had been correctly determined (with the Credit Cover Error corrected), but otherwise assuming that all steps and notifications (by the ECVAA and BSCCo) under paragraphs 3.3 and 3.4 had been taken in accordance with that paragraph, Settlement Period j would not have fallen within a Credit Default Rejection Period.

4.2.5 The value of REJ_{aj} (so far as relating to Metered Volume Reallocation Percentage Data) shall be determined:

- (a) by reference to the formula in Section T4.5.1 or T4.5.2 by which Credited Energy Volume is determined, but assuming a value of one for the term TLM_{ij} and disregarding the term QMFR_{iaj} in that formula; and
- (b) by reference to BM Unit Metered Volumes as determined in the Volume Allocation Run (for the Settlement Period j) most recently carried out before the date upon which the Trading Party submits its claim under paragraph 4.3.1(a).

4.3 Procedures

4.3.1 A Trading Party shall not be entitled to be paid Credit Cover Error Compensation:

- (a) unless the Trading Party has submitted a claim for such compensation to BSCCo, within a period of 3 months after the Settlement Day in which the first error Settlement Period fell, setting out the amount which the Trading Party considers to be so payable and the basis on which the Trading Party has calculated such amount;
- (b) if the amount which would be payable by way of Credit Cover Error Compensation (determined for the whole of the Credit Error Period) is less than £1,000.

4.3.2 BSCCo shall determine and make payment of the amount payable by way of Credit Cover Error Compensation to a Trading Party as soon as reasonably practicable after the Trading Party submits its claim under paragraph 4.3.1(a).

4.3.3 The ECVAA shall provide all such assistance and information as BSCCo may reasonably require to enable it to determine any amount payable by way of Credit Cover Error Compensation.

ANNEX M-1

Form of Letter of Credit

To: Elexon Clear Limited (the "BSC Clearer")

At the request of [*name of Trading Party*] (the "applicant") we have opened in favour of the BSC Clearer our irrevocable Letter of Credit Number () for £[] (amount in words).

This Letter of Credit is available against sight drafts issued by the BSC Clearer accompanied by a signed statement issued by the BSC Clearer either:

- (a) that the applicant has failed to pay to BSC Clearer the amount you are claiming under the terms of the Balancing and Settlement Code (as modified from time to time, the "Code"); or
- (b) that the amount of the Letter of Credit has become payable pursuant to the Code by reason of the Letter of Credit not being extended or replaced in accordance with the requirements of the Code or that we have ceased to have the credit rating required under the Code.

Payments under this Letter of Credit shall be effected immediately to [*insert relevant account details*].

Partial drawings are allowed hereunder.

Claims under this Letter of Credit shall be made at the counters of [*insert details of the branch of the issuing/advising/confirming bank*].

This Letter of Credit expires on [].

We waive any right to set off against any amount payable hereunder any claims we may have against you.

Any sight draft and statement to be issued by the BSC Clearer for the purposes of this Letter of Credit may be signed by [*insert name of FAA*] (the "FAA") on behalf of the BSC Clearer.

Any demand hereunder must comply with all the above requirements and signatures (on behalf of the BSC Clearer or the FAA) thereon must be confirmed by your Bankers.

This Letter of Credit is subject to Uniform Customs and Practice for Documentary Credits (1993 Revision) published by the International Chamber of Commerce.

We undertake that drafts and documents drawn under and in strict conformity with the terms of this credit will be honoured upon presentation.

This Letter of Credit shall be governed by and construed in accordance with English law.

For and on behalf of [] Bank [Plc].

SECTION N: CLEARING, INVOICING & PAYMENT

1. INTRODUCTION

1.1 General

1.1.1 This Section N sets out:

- (a) the means by which the BSC Clearer will receive from, or pay to, each Payment Party an amount in respect of Trading Charges and Reconciliation Charges on each Payment Date;
- (b) data requirements of, and procedures to be followed by, the FAA in order to determine and notify to Payment Parties the amounts payable by them in respect of Trading Charges and Reconciliation Charges;
- (c) procedures for the FAA and Payment Parties to facilitate and make payments in respect of Trading Charges and Reconciliation Charges;
- (d) the obligations of Payment Parties and the BSC Clearer to make payments in respect of Trading Charges and Reconciliation Charges, and consequences of any of them failing to make such payment; and
- (e) the basis on which amounts paid in respect of Trading Charges and Reconciliation Charges, and on which Credit Cover provided in accordance with Section M, will be held by the BSC Clearer.

1.1.2 For the avoidance of doubt, this Section N applies in relation to Trading Charges, Reconciliation Charges and other payments due from Parties pursuant to this Section N only and not to any BSCCo Charges or other payments due from Parties pursuant to the Code.

2. CLEARING ARRANGEMENTS

2.1 General

2.1.1 In this paragraph 2:

- (a) references to a Party are to a Trading Party or the Transmission Company and do not include the BSC Clearer; and
- (b) references to a Defaulting Party are to a Party in relation to whom:
 - (i) a Default within Section H3.1.1 (g) has occurred; or
 - (ii) a notice within Section H3.2.1(f) has been received by the FAA on behalf of the BSC Clearer.

2.2 The BSC Clearer as counter party to each Party

2.2.1 Each Party shall be entitled to receive from the BSC Clearer (and not from any other Party), and shall be obliged to pay to the BSC Clearer (and not to any other Party), amounts (pursuant to the Code) in respect of Trading Charges and Reconciliation Charges (determined pursuant to paragraphs 2.8.2 and 6.4.2 and including Ad-hoc Trading Charges

in accordance with paragraph 6.9.1(b)) and the BSC Clearer shall be correspondingly obliged and entitled.

2.2.2 The BSC Clearer's obligations to pay amounts in respect of Trading Charges and Reconciliation Charges (determined pursuant to paragraphs 2.8.2 and 6.4.2 and including Ad-hoc Trading Charges in accordance with paragraph 6.9.1(b)) shall be subject to the provisions of paragraphs 2.4 to 2.7 (inclusive).

2.3 Determination of payments for Trading Charges

2.3.1 The obligation to pay an amount in respect of Trading Charges for a Settlement Day shall be calculated in accordance with Section T so that there is one obligation to pay an amount (if any) in respect of those Trading Charges.

2.4 Payment netting

2.4.1 If, on any Business Day, amounts in respect of Trading Charges (determined in accordance with paragraph 2.3 and, where applicable, paragraph 6.10), amounts in respect of Reconciliation Charges (determined in accordance with paragraphs 2.8.2 and 6.4.2 and including Ad-hoc Trading Charges in accordance with paragraph 6.9.1(b)) and amounts in respect of interest (determined in accordance with paragraph 4.6.3) would otherwise be payable by each of a Party and the BSC Clearer to the other, then the obligations to make payment of such amounts will automatically be cancelled and replaced by a single obligation upon the Party or the BSC Clearer (as the case may be) who would have had to pay the larger aggregate amount to pay the net amount (if any) to the other.

2.5 Conditions for payment by the BSC Clearer

2.5.1 Subject to paragraph 2.5.2, a Party shall be entitled to payment from the BSC Clearer on a Business Day if, and only if, on that Business Day there is no Amount in Default (as defined in paragraph 9.1(a)) due and payable by that Party to the BSC Clearer and not paid or recovered (within the meaning of paragraph 9.3.1) and so long as an Amount in Default, or any part of it, remains owing to the BSC Clearer, that Party will not request, demand or claim to be entitled to payment by the BSC Clearer.

2.5.2 Subject to paragraph 2.5.4 and paragraph 2.5.5 as the case may be, a Defaulting Party shall be entitled to payment from the BSC Clearer if, and only if, all amounts, liabilities and other obligations due, owing, incurred or payable by that Defaulting Party to the BSC Clearer, whether those liabilities or obligations are actual or contingent, present or future, joint or several (including, without limitation, all interest (after as well as before judgment) and expenses) have been paid or recovered and until that time the Defaulting Party will not request, demand or claim to be entitled to payment by the BSC Clearer.

2.5.3 The FAA on behalf of the BSC Clearer shall credit to the Reserve Account amounts due and payable to a Defaulting Party and not set off under paragraph 2.6 and while any such amount is credited to the Reserve Account, it shall form part of the relevant Party's Credit Cover and may be applied by the FAA on behalf of the BSC Clearer in accordance with this Section N.

2.5.4 Where at any time a Defaulting Party:

- (i) is in Default solely by virtue of Section H3.1.1(g);
- (ii) has given a Withdrawal Notice pursuant pursuant to Section A5.1 that continues to be effective; and

- (iii) is not prevented from withdrawing from the Code or from ceasing to be a Party to the Framework Agreement by virtue of Section A5.1.3,

then references to amounts, liabilities and other obligations of such Defaulting Party in paragraph 2.5.2 shall not include amounts, liabilities and obligations of a contingent nature.

2.5.5 Where at any time the Panel has determined in accordance with section M2.3A that a Trading Party is entitled to:

- (a) a reduction in the amount of a Letter of Credit provided by the Trading Party, and/or
- (b) a withdrawal of cash deposited by the Trading Party

then references to amounts, liabilities and other obligations of such Trading Party in paragraph 2.5.2 shall not include amounts, liabilities and obligations of a contingent nature.

2.6 Set-off

2.6.1 If on any Business Day an amount is due and would but for paragraph 2.5 have been payable from the BSC Clearer to a Party, but before that Business Day there was due from that Party an Amount in Default (as defined in paragraph 9.1(a)) which has not been paid or recovered (within the meaning of paragraph 9.3.1) then notwithstanding paragraph 2.5, the amount owing by the BSC Clearer shall be automatically and unconditionally set off against the Amount(s) in Default.

2.6.2 If in respect of any Non-paying BSC Debtor there is more than one Amount in Default, then any amount due and payable from the BSC Clearer shall be set off against the Amounts in Default in the order in which they originally became due and payable.

2.7 Liability of the BSC Clearer

2.7.1 The liability in aggregate of the BSC Clearer to make payments on a Business Day under the Code shall be limited to the aggregate amount that has been paid to or recovered (within the meaning of paragraph 9.3.1) by the BSC Clearer:

- (a) from Parties (including by way of realisation of Credit Cover in accordance with paragraph 9), in respect of that Business Day; and
- (b) by way of drawing on the Credit Facility, but only where this Section N provides for such a drawing to be made, and without prejudice to the further payment obligations of Parties arising following any such drawing;

and each Party irrevocably and unconditionally releases the BSC Clearer from any other liability in respect of that Business Day other than as provided in this paragraph 2.7.1 and paragraph 2.7.2(b).

2.7.2 Where in relation to any Business Day, the aggregate amount that the BSC Clearer pays to Parties is less than the amount to which those Parties would, but for the operation of paragraph 2.7.1, have been entitled:

- (a) the provisions of paragraph 9 shall apply; and
- (b) if and to the extent that, after the required time on the Business Day, the BSC Clearer is paid and recovers (within the meaning of paragraph 9.3.1) amounts from any BSC Debtor, the BSC Clearer shall to the extent of such receipts make

payments (to certain Parties and/or the BSC Banker) in accordance with the provisions of paragraph 9.

2.8 Trading Disputes

2.8.1 For the avoidance of doubt, nothing in this paragraph 2 shall prevent a Party from raising Trading Disputes.

2.8.2 It is acknowledged and agreed that, where any dispute or difference arises under the Code as to any amount paid or payable by any Party by way of Trading Charge:

- (a) where such dispute or difference is resolved, any necessary payments or adjustments required in order to give effect to such resolution (including any arbitral award) shall be effected (and may be given full effect) by way of Reconciliation Settlement Run, giving rise to new Reconciliation Charges, or by way of Ad-hoc Trading Charges under paragraph 6.9.1(a)(ii); and
- (b) it is not necessary (in order to enable such dispute or difference to be resolved) for the BSC Clearer to participate in any Trading Dispute under Section W, or to be party to any arbitration pursuant to Section H7;

and accordingly no Party shall commence any proceedings against the BSC Clearer in relation to any such dispute or difference or seek to join or involve the BSC Clearer in any such proceedings.

2.8.3 If, notwithstanding paragraph 2.8.2, a Party commences proceedings against the BSC Clearer:

- (a) all costs of the BSC Clearer shall be paid by BSCCo; and
- (b) any award against the BSC Clearer shall be paid by BSCCo unless the terms of the award are to the effect that other Parties should pay or be liable for the award in which such other Parties shall indemnify the BSC Clearer accordingly.

2.9 Assignment

2.9.1 Subject to the provisions of paragraphs 2.4 to 2.7 (inclusive), nothing in this paragraph 2 shall prevent Parties from assigning by way of security only any or all of their rights to receive from the BSC Clearer amounts determined in accordance with this paragraph 2 or in accordance with any other provision of this Section N.

3. PAYMENT CALENDAR

3.1 Content

3.1.1 No later than 31st January in each year the FAA shall:

- (a) determine, for each Settlement Day in the next following BSC Year, in accordance with the requirements in paragraph 3.2 and BSCP 301 in consultation with the SAA and subject to approval of BSCCo, the following dates:
 - (i) the Initial Payment Date;
 - (ii) the Initial Notification Date;

- (ii) the Payment Date for each Timetabled Reconciliation Settlement Run; and
 - (iv) the Notification Date for each Timetabled Reconciliation Settlement Run; and
- (b) prepare or cause to be prepared a Payment Calendar showing (for each such Settlement Day) such dates.

3.2 Requirements

3.2.1 The following requirements shall apply to each Payment Calendar:

- (a) as an average over the entire BSC Year to which the Payment Calendar relates, each Initial Payment Date shall fall, as nearly as practicable, 29 days after the Settlement Day to which it relates;
- (b) each Initial Payment Date shall fall as nearly as practicable to the 29th day after the Settlement Day to which it relates;
- (c) each Payment Date and each Notification Date shall fall on a Business Day;
- (d) no Payment Date shall fall fewer than 3 Business Days after the relevant Notification Date; and
- (e) if possible, it shall not give rise to a requirement for more than 15 Timetabled Reconciliation and/or Initial Settlement Runs on any day.

3.3 Production

3.3.1 The Payment Calendar shall be in such form as the Panel shall from time to time decide.

3.3.2 The FAA shall distribute any Payment Calendar prepared pursuant to this paragraph 3 promptly to BSCCo, the SAA and each Payment Party; and shall send the prevailing Payment Calendar to any Party upon its becoming a Trading Party.

4. BANKING ARRANGEMENTS

4.1 Establishment of Accounts

4.1.1 The FAA shall establish and operate on behalf of the BSC Clearer the following accounts (each a "**BSC Account**") in the name of the BSC Clearer:

- (a) a clearing account with the BSC Banker to and from which all payments determined in accordance with this Section N are to be made;
- (b) a collection account at each Collection Bank;
- (c) a reserve account with the BSC Banker to which all Cash Cover, proceeds of Letters of Credit and other amounts specified in this Section N shall be credited;
- (d) a borrowing account with the BSC Banker on which the FAA on behalf of the BSC Clearer may make permitted drawings under the Credit Facility; and

- (e) any other account that the FAA (with the prior written consent of BSCCo) considers desirable to enable the BSC Clearer to perform any obligations imposed on it by this Section N.

4.2. Funds Transfer Agreement

- 4.2.1 Not later than the date required by paragraph 4.2.3, the BSC Clearer and the FAA shall enter into a funds transfer agreement, in a form approved by the Panel, with a bank (the "**BSC Banker**") approved by the Panel, which shall set out the accounts opened in the name of the BSC Clearer and the basis on which the FAA shall operate them.
- 4.2.2 Neither the BSC Clearer nor the FAA may amend or terminate the Funds Transfer Agreement without the approval of the Panel.
- 4.2.3 The required date is:
 - (a) two months after the Code Effective Date; and
 - (b) if the Panel has approved the termination of any existing Funds Transfer Agreement, 10 Business Days before such termination.

4.3 Settlement Account

- 4.3.1 Each Payment Party shall, unless otherwise agreed by the Panel, at all times maintain a Settlement Account at a Settlement Bank.
- 4.3.2 Each Payment Party shall also supply to the FAA and the Panel such information or (as the case may be) further information concerning its Settlement Account as the Panel or the FAA reasonably requests.

4.4 Settlement and Collection Accounts

- 4.4.1 The FAA shall notify the names of the Collection Banks determined by the Panel from time to time to all Payment Parties.
- 4.4.2 Each Payment Party shall, not later than the date required by paragraph 4.4.3:
 - (a) deliver to the FAA a duly completed and signed Settlement Account designation providing details of the Settlement Account to which the FAA on behalf of the BSC Clearer is instructed to make payments to such person; and
 - (b) select the Collection Account into which payments due from such Payment Party will be transferred in accordance with this Section N.
- 4.4.3 The required date is:
 - (a) two months after the Code Effective Date; or
 - (b) in the case of a Trading Party, if later, 10 Business Days (or such shorter period as the Panel may approve in relation to that Party) before it becomes a Trading Party.

4.5 Change of Settlement and Collection Account

4.5.1 Each Payment Party may change its Settlement Account or its choice of Collection Account at any time by delivering to the FAA a duly completed and signed notice, and with an effective date, in accordance with BSCP 301.

4.6 Reserve Account

4.6.1 Where a Trading Party provides Credit Cover by delivering cash (as contemplated by Section M) that Cash Cover shall be:

- (a) credited to the Reserve Account (an account in the name of the BSC Clearer);
- (b) the absolute property of the BSC Clearer (and the relevant Trading Party shall have no beneficial or other interest in the Cash Cover); and
- (c) a limited recourse loan to the BSC Clearer which is repayable only in the circumstances set out in paragraph 4.6.3 and subject to the provisions of this Section N.

4.6.2 The purpose of the Cash Cover is to ensure that, on a continuing basis and for so long as the Trading Party is not a Discontinuing Party, the BSC Clearer is a debtor to the relevant Trading Party and in calculating the amounts due either from the BSC Clearer to the Trading Party or from the Trading Party to the BSC Clearer in accordance with this Section N, the amount of the Cash Cover shall be ignored.

4.6.3 The FAA on behalf of the BSC Clearer shall pay or repay the following amounts at the times indicated from the Reserve Account to each Payment Party:

- (a) (subject to paragraph 4.6.6) quarterly the amount of interest referred to in paragraph 4.6.4;
- (b) an amount requested in accordance with Section M2.3; and
- (c) if that Payment Party is a Discontinuing Party (as defined in Section A), on the Discontinuance Date the cash paid by or on behalf of that Discontinuing Party credited to the Reserve Account and not subsequently withdrawn or repaid in accordance with this Section N.

4.6.4 The amount of interest is an amount equal to interest from time to time received and attributable to cash paid by that Payment Party and credited to the Reserve Account and not subsequently withdrawn, repaid or set off in accordance with this Section N.

4.6.5 The BSC Clearer's obligation to repay amounts under this paragraph 4.6 shall be subject to the provisions of paragraphs 2.4 to 2.6 (inclusive).

4.6.6 While any interest is credited to the Reserve Account, it shall be deemed to form part of the relevant Party's Credit Cover for the purposes of this Section N only (and not for the purposes of Section M2.1.3 or any other section of the Code) and may be applied by the FAA on behalf of the BSC Clearer in accordance with this Section N.

4.6.7 Each Payment Party waives any right and agrees not to make any claim it might otherwise have to set off against any obligation owing to the BSC Clearer any claims such Payment Party may have to repayment of moneys paid to the BSC Clearer and credited to the Reserve Account.

4.7 Details of Accounts

- 4.7.1 The FAA shall supply bank details, sort code and account numbers for:
- (a) the Reserve Account and the relevant Collection Account to each Payment Party; and
 - (b) the Clearing Account, the Reserve Account, the Collection Accounts, the Borrowing Account (if any) and all other BSC Accounts and the Settlement Accounts to BSCCo and the BSC Clearer.

4.8 Banking Communications Links

4.8.1 The FAA shall set up communications links with:

- (a) the BSC Banker to ensure efficient transfers of funds; and
- (b) the Collection Banks.

4.9 Credit Facility

4.9.1 The BSC Clearer shall enter into a facility agreement, in a form approved by the Panel, with the BSC Banker pursuant to which the BSC Banker shall make available to the BSC Clearer not later than the date required by paragraph 4.9.2 a facility of a maximum aggregate principal amount outstanding of £4,000,000 or such other amount (but subject to a maximum amount of £10,000,000) approved by the Panel from time to time for the purpose set out in paragraph 4.9.3 below.

4.9.2 The required date is:

- (a) the Go-live Date; and
- (b) if an existing Credit Facility will not be extended or renewed, upon the expiry of that Credit Facility.

4.9.3 The purpose of the Credit Facility is to cover banking and payment errors and short-term payment defaults and to minimise the need to use Credit Cover provided by Payment Parties in accordance with this Section N and the Credit Facility shall not be used for any other purpose.

4.9.4 All fees and expenses properly due from the BSC Clearer to the BSC Banker (including any additional amounts payable to the BSC Banker under the terms of the Credit Facility which the FAA on behalf of the BSC Clearer has not been able to pay after acting in accordance with paragraph 9) shall be paid by BSCCo on behalf of the BSC Clearer on the date the fees or expenses are payable to the BSC Banker.

4.9.5 The FAA on behalf of the BSC Clearer shall notify BSCCo and all Payment Parties of, and any changes in, the interest rate notified by the BSC Banker under the Credit Facility to it from time to time.

4.9.6 The FAA on behalf of the BSC Clearer shall:

- (a) notify BSCCo forthwith on:
 - (i) becoming aware of any circumstances which may lead to the BSC Banker withdrawing the Credit Facility;
 - (ii) receiving a written demand from the BSC Banker as a result of which the Credit Facility ceases to become available;

- (iii) receiving notice from the BSC Banker that it requires any additional amount to be paid to it as a result of any change in circumstances or any increased costs; and
 - (b) notify all Payment Parties as soon as reasonably practicable after receiving notice from the BSC Banker that it requires any additional amount to be paid to it as a result of any change in circumstances or any increased costs.
- 4.9.7 Neither the BSC Clearer nor the FAA may amend, supplement or cancel the Credit Facility without the prior approval of the Panel.
- 4.9.7 The FAA on behalf of the BSC Clearer shall:
 - (a) not earlier than one month before the expiry of the Credit Facility, negotiate with the BSC Banker to extend or renew the Credit Facility on substantially the same terms for a further year, and keep the Panel informed of the progress of these negotiations; and
 - (b) subject to the approval of the Panel, extend or renew the Credit Facility on the terms so negotiated.

5. TAXATION

5.1 Tax Agreements

- 5.1.1 Subject only to paragraph 5.1.3, each Payment Party agrees that it will be bound by any agreement made (whether before or after the entry into force of the Code) between the BSC Clearer (or BSCCo on its behalf) and any tax authority as to the treatment for taxation purposes of obligations to pay amounts (pursuant to the Code) in respect of Trading Charges between the BSC Clearer and any Payment Party.
- 5.1.2 Subject only to paragraph 5.1.3, each Payment Party further undertakes that it will not act in any way prejudicial to such agreement, including acting on the basis of, assuming, seeking or making any application or request to any tax authority for, any conflicting treatment.
- 5.1.3 A Payment Party shall not be bound by paragraph 5.1.1 or 5.1.2, if and to the extent that such Payment Party has first obtained an opinion of leading counsel, in unequivocal terms, to the effect that such agreement is unlawful, or that it is required by law to act in breach of paragraph 5.1.2, and has provided to BSCCo a copy of such opinion and notified to BSCCo the action which such Payment Party intends to take.
- 5.1.4 BSCCo on behalf of the BSC Clearer shall ensure that details of each such agreement as is referred to in this paragraph 5.1 are provided to each Payment Party upon its becoming a Party and upon any change in such agreement.

5.2 Withholdings on account of taxation

- 5.2.1 The FAA on behalf of the BSC Clearer and any BSC Debtor shall deduct from all payments made by or through it under this Section N any deductions (including withholdings) as are required by law and any such agreement as is referred to in paragraph 5.1.
- 5.2.2 Such deduction shall be the minimum amount required by law and any such agreement as is referred to in paragraph 5.1.

5.2.3 If any such deductions are made, the FAA on behalf of the BSC Clearer or the relevant BSC Debtor (as the case may be) shall take such further actions as are required by law and any such agreement as is referred to in paragraph 5.1, including making payments and returns to the tax authorities and promptly issuing certificates.

5.3 Taxation of BSC Clearer

5.3.1 Subject to this paragraph 5, if at any time and for any reason the BSC Clearer has an obligation to account for any taxation to any taxation authority, where it has no equivalent credit then available to it but the FAA reasonably believes that such a credit will be receivable from such taxation authority in the future, the FAA on behalf of the BSC Clearer shall borrow the required amount from BSCCo, and BSCCo shall lend such amount, on such terms (if any) as BSCCo may decide, and the FAA on behalf of the BSC Clearer shall repay that amount upon receipt of the equivalent credit from the taxation authority.

6. CALCULATION OF PAYMENTS

6.1 Settlement Runs

6.1.1 In relation to each Settlement Day, following each Settlement Run, the information referred to in paragraphs 6.1.2 to 6.1.4 (inclusive) concerning Trading Charges in respect of Settlement Periods in that Settlement Day is to be submitted by 09.00 hours on the relevant Notification Date by the SAA to the FAA.

6.1.2 The following information is to be submitted in relation to each Settlement Run:

- (a) the Settlement Day; and
- (b) whether the Settlement Run is an Initial Settlement Run, Timetabled Reconciliation Settlement Run or Post-Final Settlement Run.

6.1.3 The following information (subject to paragraph 6.1.5) is to be submitted for each Trading Party:

- (a) the identity of the Trading Party;
- (b) the amount calculated for the Settlement Day in respect of each of the following Trading Charges separately:
 - (i) the Daily Party BM Unit Cashflow;
 - (ii) the Daily Party Non-Delivery Charge;
 - (iii) the Daily Party Energy Imbalance Cashflow;
 - (iv) the Daily Party Information Imbalance Charges; and
 - (v) the Daily Party Residual Settlement Cashflow.
- (c) the net credit or debit amount for the Settlement Day for all Trading Charges under paragraph (b) for that Trading Party.

6.1.4 The following information (subject to paragraph 6.1.5) is to be submitted in relation to the Transmission Company: the Daily System Operator BM Cashflow which shall be a single credit or debit amount for the Settlement Day.

6.1.5 In relation to any Reconciliation Settlement Run, the amounts referred to in paragraphs 6.1.3 and 6.1.4 are to be determined as though it were the first Settlement Run to be carried out in relation to the relevant Settlement Day, and so disregarding any payments which may on any prior Payment Date have been paid or payable in respect of the relevant Settlement Day.

6.1.6 For the purposes of this Section N, in relation to any Settlement Day and Notification Date, the amount (in relation to a Trading Party) under paragraph 6.1.3(c) and the amount (in relation to the Transmission Company) under paragraph 6.1.4 is the "**Trading Charges Amount**".

6.2 Validation by FAA

6.2.1 Upon receipt of the information supplied by the SAA, the FAA shall determine whether, on the basis of such information:

- (a) the aggregate of the debit Trading Charges Amounts for all Payment Parties for the relevant Settlement Day (the "**total debits**") is equal to
- (b) the aggregate of the credit Trading Charges Amounts for all Payment Parties for the relevant Settlement Day (the "**total credits**").

6.2.2 If difference between the total debits and the total credits is less than £10.00, such information is "**valid**".

6.2.3 If the information is valid and there is a difference between the total debits and the total credits, the FAA shall account for such difference by adjusting the Daily Party Residual Settlement Cashflow and the Trading Charges Amount for the Trading Party with the largest absolute Trading Charges Amount for the relevant Settlement Day by the amount of such difference and references to "**Trading Charges Amounts**" in paragraphs 6.4, 6.5, and 7 below are to Trading Charges Amounts so adjusted.

6.3 Rectification of errors

6.3.1 If the FAA determines that the information provided by the SAA is not valid in accordance with paragraph 6.2, it shall as soon as possible notify the SAA accordingly, but if the FAA has not so notified the SAA by the close of business on the Notification Date, the SAA may assume that FAA has determined that the information is valid in accordance with paragraph 6.2.

6.3.2 Upon receiving a notice under paragraph 6.3.1, the SAA will use its best endeavours promptly to provide corrected information as may be necessary for the FAA to determine whether the corrected information is valid and to enable it to issue Advice Notes.

6.4 Reconciliation

6.4.1 Upon receipt of the information supplied by the SAA in a Reconciliation Settlement Run, the FAA shall calculate, on the basis of such information, for each Payment Party, the difference (if any) between:

- (a) the debit or credit Trading Charges Amount calculated in that Reconciliation Settlement Run for that Payment Party;

and

- (b) either:

- (i) the debit or credit Trading Charges Amount calculated for that Payment Party in the Initial Settlement Run for the same Settlement Day; or
- (ii) (if a Reconciliation Settlement Run has already been carried out in respect of that Settlement Day) the debit or credit Trading Charges Amount calculated for that Payment Party in the most recent Reconciliation Settlement Run previously carried out for that Settlement Day (other than a Reconciliation Settlement Run not used to calculate Reconciliation Charges in accordance with paragraph 6.6.3).

6.4.2 Subject to paragraph 5, each Payment Party shall following each Reconciliation Settlement Run be liable to pay to, or (as the case may be) entitled to receive from, the BSC Clearer an amount calculated as being:

- (a) the amount of the difference determined under paragraph 6.4.1; plus
- (b) an amount in lieu of interest calculated by applying the Base Rate to the amount of such difference in respect of the period since the last Payment Date to the relevant Reconciliation Payment Date.

6.4.3 The amount determined, for a Payment Party and Reconciliation Settlement Run, pursuant to paragraph 6.4.2 shall be a "**Reconciliation Charge**".

6.4.4 It is hereby acknowledged and agreed that the obligations of Payment Parties and the BSC Clearer under paragraphs 2.8.2 (a) and 6.4.2 are new obligations to pay an amount by way of Trading Charge and not an adjustment or amendment of any existing obligation and those obligations are subject to the provisions of paragraphs 2.4 to 2.7 (inclusive).

6.5 Amounts in Advice Notes

6.5.1 If the information supplied by the SAA is valid, the amounts to be incorporated in Advice Notes in accordance with paragraph 7.1:

- (a) in relation to an Initial Settlement Run, shall be the Trading Charges Amounts; and
- (b) in relation to a Reconciliation Settlement Run, shall be the Reconciliation Charges

together with an amount in respect of applicable VAT on the amount payable.

6.6 Postponed Payments

6.6.1 If no information is received by the FAA in respect of a Settlement Run on a Notification Date or for any reason it is not possible, after application of paragraph 6.3, for the FAA to determine by the close of business on the Notification Date the amounts to be incorporated in the Advice Notes:

- (a) the Payment Date shall be postponed so that it falls on the second Business Day (or such later day as the Panel shall from time to time decide upon request of the FAA) after the day on which the FAA receives and/or validates the information provided by the SAA pursuant to paragraph 6.2;
- (b) the FAA shall inform the Panel, BSCCo, the SAA and each Payment Party:

- (i) upon the Notification Date, of such postponement; and
 - (ii) promptly upon validating such information, of the postponed Payment Date;
 - (c) such postponed date shall be a "**Postponed Payment Date**", and a reference to a Payment Date in this Section N shall, unless the context otherwise requires, include a Postponed Payment Date.
- 6.6.2 In the case of an Initial Settlement Run only, if the Postponed Payment Date falls more than one week after the original Payment Date:
- (a) each BSC Debtor shall pay to the BSC Clearer; and
 - (b) each BSC Creditor shall receive from the BSC Clearer
- (but subject to paragraphs 2.4 to 2.7 (inclusive)) interest at the Base Rate on the amount shown in the Advice Note for each day from and including the originally scheduled Payment Date to (but excluding) the Postponed Payment Date.
- 6.6.3 In the case of a Timetabled Reconciliation Settlement Run, other than a Final Reconciliation Settlement Run:
- (a) the Panel may at any time after receiving a notice under paragraph 6.6.1(b)(i), but not after the FAA has given a notice under paragraph 6.6.1(b)(ii), determine and instruct the FAA that Reconciliation Charges will not be determined and payable by reference to that Reconciliation Settlement Run;
 - (b) if the Panel makes such a determination:
 - (i) the FAA shall promptly notify all Payment Parties and the SAA of the Panel's determination; and
 - (ii) there shall be no Postponed Settlement Date;but without prejudice to the determination of Reconciliation Charges by reference to the next following Timetabled Reconciliation Settlement Run for the relevant Settlement Day.
- 6.6.4 Where in accordance with Section T5.4 BSCCo submits to the FAA data and information estimated by the Panel:
- (a) the FAA shall determine the amounts to be incorporated in Advice Notes on the basis of such data and information (and this paragraph 6 shall apply as though such data and information were information supplied by the SAA under paragraph 6.1);
 - (b) the Postponed Payment Date shall accordingly be established in accordance with paragraph 6.6.1(a) by reference to the day on which the FAA receives the data estimated by the Panel.
- 6.7 Payment by BSC Debtors and the BSC Clearer**
- 6.7.1 On the relevant Payment Date, each BSC Debtor shall (without defence, set-off or counterclaim) pay the BSC Clearer, and the BSC Clearer shall pay each BSC Creditor, the full amount (including an amount in respect of VAT), but subject to paragraphs 2.4 to 2.7 (inclusive), notified in the Advice Note as being payable by or to it.

- 6.7.2 Payment shall be made in accordance with the terms of this Section N.
- 6.7.3 For the avoidance of doubt, no payment by Payment Parties shall be treated as being paid on account or subject to any condition or reservation, notwithstanding any provision of the Code as to Trading Disputes.
- 6.7.4 Paragraph 11.1 shall apply to any payment insofar as it is or may constitute an overpayment.
- 6.7.5 A Payment Party may query an amount calculated, and/or notified to it in an Advice Note, by the FAA if, and only if, it has paid the amount in accordance with this Section N.
- 6.7.5 The FAA shall promptly investigate the query and shall, if so directed by the Panel, issue corrected Advice Notes to all affected Parties for payment by or to the BSC Clearer (subject to the provisions of paragraphs 2.4 to 2.7 (inclusive)) five Business Days after the date of the corrected Advice Notes.

6.8 Liability several

- 6.8.1 Save as otherwise expressly provided, the liability of each Payment Party and the BSC Clearer for amounts payable by it pursuant to this Section N is several.

6.9 Ad-hoc Trading Charges

- 6.9.1 For the purposes of the Code:
- (a) an "**Ad-hoc Trading Charge**" is an amount which a Party is liable to pay to or entitled to receive from the BSC Clearer:
 - (i) pursuant to any provision of the Code, where such amount is specified in such provision to be such an Ad-hoc Trading Charge;
 - (ii) pursuant to an Extra-Settlement Determination in accordance with Section U2.2.3;
 - (b) the date on which payment in respect of an Ad-hoc Trading Charge is due shall be:
 - (i) the date established in accordance with the relevant provision of the Code or the decision of the Panel (as referred to in paragraph (a)(i) or (ii) respectively); or
 - (ii) failing any such date, the 10th Business Day after the FAA received notification from BSCCo under paragraph 6.9.2(a);
 - (c) references to Reconciliation Charges in the Code, other than in paragraph 2.8, this paragraph 6 and paragraph 7.1.2 (and other than for the purposes of any provision as to Reconciliation Settlement Runs), include Ad-hoc Trading Charges;
 - (d) it is hereby acknowledged and agreed that the obligations of Parties and the BSC Clearer under the Code in respect of Ad-hoc Trading Charges are new obligations to pay an amount by way of Trading Charge and not an adjustment or amendment of any existing obligation and those obligations are subject to the provisions of paragraphs 2.4 to 2.7 (inclusive).

6.9.2 Where under any provision of the Code any entitlements or liabilities in respect of Ad-hoc Trading Charge(s) arise:

- (a) BSCCo shall so notify the FAA, in accordance with such provision or otherwise as soon as reasonably practicable after such entitlements or liabilities arise, specifying (subject to paragraph (b)):
 - (i) the identity of each Party entitled or liable in respect thereof; and
 - (ii) the amount(s) of the Ad-hoc Trading Charge for which each such Party is liable or entitled, or (provided that the FAA has indicated that it is able to make such calculation) the basis on which such amount(s) are to be calculated;
 - (iii) the due date for payment where established as provided in paragraph 6.9.1(b)(i);
- (b) where under the relevant provision:
 - (i) a particular Party is entitled to or liable for a particular amount by way of Ad-hoc Trading Charge, and
 - (ii) each Trading Party is liable for or entitled to its Party Daily Reallocation Proportion of that amount, by way of Ad-hoc Trading Charge,

BSCCo shall specify to the FAA the identity of the Party and amount of the Ad-hoc Trading Charge in paragraph (i), and the Settlement Day by reference to which such Party Daily Reallocation Proportions are to be determined;

- (c) BSCCo shall, at the time at which it gives such notification to the FAA, send to each Trading Party and the Transmission Company the details notified to the FAA under paragraph (a) and (where applicable) paragraph (b).

6.9.3 Where the FAA receives from BSCCo a notification under paragraph 6.9.2, the FAA shall:

- (a) make any calculation required under paragraph 6.9.2(a)(ii);
- (b) where paragraph 6.9.2(b) applies, determine for each Trading Party the amount for or to which it is liable or entitled under paragraph 6.9.2(b)(ii); and
- (c) include the amount(s) for or to which each Party is liable or entitled by way of Ad-hoc Trading Charges in Advice Notes for the Payment Date which is the same as the due date for such charges.

6.10 Replacement Supplier

6.10.1 Where a Replacement Supplier is appointed in accordance with Section K7 and the Replacement Supplier Transfer Date precedes the Appointment Day for that Replacement Supplier, then subject to paragraph 5, the Transmission Company and each Trading Party shall be liable to pay to, or (as the case may be) entitled to receive from, the BSC Clearer a sum in respect of each Settlement Day within the Relevant Period representing the difference between:

- (a) the net amount of the Trading Charges for that Party for that Settlement Day determined taking account of the application of Section K7.1.3; and
- (b) the net amount of the Trading Charges for that Party for that Settlement Day determined disregarding the application of Section K7.1.3,

which sum shall be payable on the Payment Date for the Initial Settlement Run for that Settlement Day.

- 6.10.2 It is hereby acknowledged and agreed that the obligations of Payment Parties and the BSC Clearer arising by virtue of paragraph 6.10.1 are new obligations to pay an amount by way of Trading Charges and not an adjustment or amendment to any existing obligation and those obligations are subject to the provisions of paragraphs 2.4 to 2.7 (inclusive).
- 6.10.3 In respect of each Settlement Day within the Relevant Period and for each Payment Party, the Trading Charges Amount under paragraph 6.1 automatically (by virtue of Section K7) includes the sum referred to in paragraph 6.10.1.
- 6.10.4 For the purposes of this paragraph 6.10, the "**Relevant Period**", in relation to the appointment of a Replacement Supplier, is the period of whole Settlement Days from (and including) the Replacement Supplier Transfer Date to (and including) the Settlement Day immediately preceding the Appointment Day.

7. **ADVICE NOTES**

7.1 **Despatch of Advice Notes**

7.1.1 On each Notification Date, in good time (in accordance with BSCP 301) for Payment Parties to give all necessary instructions for payments to be effected on the relevant Payment Date, the FAA shall despatch to each Payment Party an Advice Note showing the amount (including an amount in respect of VAT), but subject to paragraphs 2.4 to 2.7 (inclusive) which, according to its calculations, is to be paid by that Payment Party to the BSC Clearer or that Payment Party by the BSC Clearer on that Payment Date.

7.1.2 Each Advice Note shall set out:

- (a) in relation to Initial Settlement Runs:
 - (i) an amount in respect of each of the items set out in paragraph 6.1.3 (b) or paragraph 6.1.4 (as the case may be);
 - (ii) the Trading Charges Amount; and
 - (iii) if the Payment Date is a Postponed Payment Date, any interest pursuant to paragraph 6.6.2;
- (b) in relation to Reconciliation Settlement Runs,
 - (i) the Reconciliation Charge;
 - (ii) the Reconciliation Charge excluding the amount in lieu of interest and any withholdings on account of taxation;

- (iii) the amount in lieu of interest included in the Reconciliation Charge pursuant to paragraph 6.4.2;
 - (iv) the amount of any withholdings on account of taxation;
 - (v) the Trading Charges Amounts in respect of which the FAA has calculated there to be a Reconciliation Charge due;
 - (c) any amount due pursuant to paragraph 4.6.3;
 - (d) the amount of any Ad-hoc Trading Charge due pursuant to paragraph 6.9;
 - (e) any amount set off pursuant to paragraph 2.6; and
 - (f) the amount of VAT in respect of the amount due.
- 7.1.3 On each Notification Date, in good time (in accordance with BSCP 301) for Payment Parties to give all necessary instructions for payments to be effected on the relevant Payment Date, the FAA shall notify:
- (a) each Collection Bank of amounts payable by each Payment Party who chose the Collection Account at that Collection Bank; and
 - (b) the BSC Banker of the amount to be remitted to the Clearing Account by each Collection Bank.

7.2 Method of despatch

- 7.2.1 All Advice Notes shall be despatched by the means established in accordance with Section O, or by such other means as the Panel may reasonably direct.

8. PAYMENT PROCEDURE

8.1 Instructions for payment

- 8.1.1 Each BSC Debtor shall, in respect of each Payment Date on which it is under an obligation to make a payment under this Section N, make such arrangements as will ensure that the payment is credited to the relevant Collection Account as soon as practicable and in any event no later than 15.30 hours on that Payment Date.
- 8.1.2 Each BSC Debtor shall ensure all remittances by its bank to the relevant Collection Account shall be remittances for value on the relevant Payment Date.

8.2 FAA's responsibilities

- 8.2.1 As soon as practicable and in any event not later than 16.00 hours on each Payment Date the FAA shall find out whether all amounts required to be credited to each Collection Account on such Payment Date have been so credited.
- 8.2.2 As soon as practicable and in any event not later than 16.00 hours on each Payment Date the FAA shall take such action as is required to ensure that all amounts credited to each Collection Account on such Payment Date in accordance with paragraph 8.1 have been remitted to the Clearing Account.

8.2.3 As soon as practicable and in any event not later than 16.00 hours on each Payment Date the FAA shall reconcile the actual amounts credited to each Collection Account and remitted to the Clearing Account on or before 16.00 hours on that Payment Date and the aggregate of such amounts.

8.3 Non-payment

8.3.1 If any BSC Debtor becomes aware that a payment for which it is responsible will not be credited to the relevant Collection Account by 15.30 hours on the relevant Payment Date, it will immediately notify the FAA of the non-payment and the reasons therefor.

8.3.2 The FAA shall, as soon as it becomes aware that a payment has not or will not be credited to the relevant Collection Account or remitted to the Clearing Account, use its reasonable endeavours to establish the reason.

8.4 Excess payments

8.4.1 If by 15.30 hours on any Payment Date the FAA is advised by a Collection Bank that it has received from a BSC Debtor a payment in excess of the amount notified to that BSC Debtor pursuant to paragraph 7.1 in respect of that Payment Date, or if the BSC Banker notifies the FAA by 15.30 hours that amounts greater than the amounts notified to the BSC Banker pursuant to paragraph 7.1.3(b) have been credited to the Clearing Account, the FAA shall use its reasonable endeavours to ascertain the nature of the excess payment, to calculate the entitlement to such payment and to instruct the BSC Banker by 16.00 hours that day to credit the relevant BSC Debtor's Settlement Account or (if so requested by the BSC Debtor) the Reserve Account or such other account authorised by BSCCo.

8.4.2 Any Payment Party who instructs its bank to make a payment in excess of the amount owing by that Payment Party on any Payment Date shall simultaneously with giving such instructions advise the FAA in writing of the amount of the excess payment providing a description of what that Payment Party considers the excess payment relates to.

8.5 Payment to BSC Creditors

8.5.1 At about 15.00 hours on each Payment Date, the FAA shall:

- (a) estimate the aggregate amounts which will be credited to Collection Accounts in accordance with paragraph 8.1;
- (b) subject to paragraph 8.5.4, on the basis of such estimate, calculate the amounts available for payment by the BSC Clearer to BSC Creditors, taking account of paragraph 2.7 and anticipating the steps (where relevant) in paragraph 9.2, on that Payment Date;
- (c) for the purposes of paragraph 8.5.4, determine, by reference only to the amounts which have by that time on the Payment Date already been credited to the Collection accounts:
 - (i) the amount (if any) which would be required to be drawn on the Credit Facility in order to enable full payment to be made of the amounts due to BSC Creditors;
 - (ii) whether, and if so the amount (“**possible shortfall amount**”) by which, the amount in paragraph (i) exceeds the amount then remaining available for drawing on the Credit Facility;

after allowing for any amounts which the FAA is satisfied will be paid into the Clearing Account on the Payment Date pursuant to paragraphs 9.2.2 (b) and (c).

- 8.5.2 Subject to paragraph 8.5.4, as soon as practicable and not later than 16.00 hours on the Payment Date the FAA shall arrange for the remittance from the Clearing Account to the relevant Settlement Accounts maintained by the BSC Creditors of the aggregate of amounts determined by the FAA to be available for payment to BSC Creditors and, if required, arrange for the transfer of amounts from the Reserve Account or (subject to paragraph 8.5.3) the Borrowing Account to the Clearing Account or vice versa.
- 8.5.3 Subject to paragraph 8.5.4, any differences between the amount of the FAA's estimate under paragraph 8.5.1(a) and the aggregate amount actually credited to Collection Accounts in accordance with paragraph 8.1 on the Payment Date shall be addressed by way of adjustment (later on the Payment Date) to the amount of any drawing on the Credit Facility, and the FAA shall arrange for such adjustment to be made in respect of the transfer of any amount from the Borrowing Account to the Clearing Account or vice versa.
- 8.5.4 If the FAA determines that there is a possible shortfall amount, the FAA shall calculate the amounts under paragraph 8.5.1(b) assuming the reduction of payments (by the BSC Clearer to BSC Creditors) under paragraph 9.2.2(d) by an aggregate amount equal to the possible shortfall amount, and arrange remittances under paragraph 8.5.2 accordingly.

8.6 Prohibition on transfers

- 8.6.1 The FAA shall not at any time instruct the BSC Banker to transfer any sum from a BSC Account to another account (not being a BSC Account) unless that account is a Settlement Account or (in the case of erroneous payments to the BSC Clearer) with the authority of BSCCo and the relevant Payment Party concerned.

8.7 Clearing of Clearing Account

- 8.7.1 Any amounts standing to the credit of the Clearing Account at the close of business on any Payment Date shall be transferred to the Reserve Account so that the balance in the Clearing Account shall at the end of such day be nil.

9. PAYMENT DEFAULT

9.1 General

- 9.1.1 For the purposes of this paragraph 9:

- (a) an "**Amount in Default**" is all or any part of any amount due and payable from a BSC Debtor to the BSC Clearer which is not remitted to the relevant Collection Account by 15.30 hours on the relevant Payment Date and, at any time thereafter, together with interest payable by that Non-paying BSC Debtor pursuant to paragraph 9.4 and less any amounts paid or recovered (as defined in paragraph 9.3.1) in respect thereof at that time;
- (b) a "**Drawing**" is a drawing on the Credit Facility by the FAA on behalf of the BSC Clearer and includes interest and banking charges charged to the BSC Clearer by the BSC Banker from time to time; and
- (c) the "**Default Interest Rate**", in relation to an Amount in Default, is the Base Rate at the Affected Date plus 2 per cent per annum.

9.2 Affected Date

9.2.1 Paragraph 9.2.2 shall apply if, on any Payment Date (such date, in respect of the Settlement Day to which it relates, the "**Affected Date**"), the FAA has been notified by a Settlement Bank or it otherwise has reason to believe there will be an Amount in Default in respect of any BSC Debtor (the "**Non-paying BSC Debtor**").

9.2.2 Where this paragraph 9.2.2 applies, subject to paragraphs 8.5.4 and 9.2.5, the FAA shall, on behalf of the BSC Clearer, act in accordance with the following provisions (or whichever of them shall apply) in the order in which they appear, until the FAA is satisfied that the Clearing Account will clear to zero not later than the close of business on the Affected Date:

- (a) if a Credit Facility is available to the BSC Clearer, the FAA shall make a Drawing by debiting the Borrowing Account and crediting the Clearing Account with a sum being the lesser of the Amount in Default and the amount available for drawing under the Credit Facility;
- (b) if the FAA is satisfied that any Cash Cover provided by the Non-paying BSC Debtor will be paid into the Clearing Account in sufficient time to ensure that that Cash Cover can be applied to the Amount in Default by close of business on the Affected Date, the FAA shall debit the Reserve Account and credit the Clearing Account with a sum being the lesser of the Amount in Default (to the extent that it will not be covered by the amount borrowed by application of paragraph (a)) and that Cash Cover;
- (c) if the FAA is satisfied that the proceeds of a call under the Letter(s) of Credit supplied by the Non-paying BSC Debtor will be paid into the Clearing Account in sufficient time to ensure that those proceeds can be applied to the Amount in Default by close of business on the Affected Date, the FAA shall make a call under the Letter of Credit(s) in a sum not exceeding the lesser of the Amount in Default (to the extent it will not be covered by the application of paragraph (a) or recovered by the application of paragraph (b)) and the available amount of such Letter(s) of Credit and the FAA shall cause the proceeds of such call to be paid into the Clearing Account; and
- (d) if and to the extent that, notwithstanding application of the foregoing measures, it is not possible to credit an amount in cleared funds equal to the Amount in Default to the Clearing Account by close of business on the Affected Date, the FAA shall:
 - (i) on behalf of the BSC Clearer, reduce payments by the BSC Clearer to all BSC Creditors in proportion to the amounts payable to them by the BSC Clearer on and in respect of the Affected Date by an aggregate amount equal to the amount necessary to cover the Amount in Default (to the extent it will not be covered by the application of paragraph (a) or recovered by the application of paragraphs (b) or (c)); and
 - (ii) (subject to paragraph 2.7) account for such reduction in the Ledger Accounts as amounts due and owing by the BSC Clearer to each BSC Creditor (a "**Shortfall Creditor**") whose payments were so reduced; and
- (e) notify BSCCo and (in the case of action under paragraph (b) or (c)) the Non-paying BSC Debtor as soon as reasonably practicable of the action taken.

- 9.2.3 For the purposes of this paragraph 9, the amount of the reduction pursuant to paragraph 9.2.2(d) plus interest at the Default Rate from time to time in respect of each Shortfall Creditor is a "**Shortfall Amount**".
- 9.2.4 It is acknowledged for the avoidance of doubt that the FAA may (for the purposes of paragraph 9.2.1) have reason to believe, before a given Payment Date, that there will on that Payment Date be an Amount in Default in respect of a BSC Debtor; and in such case the FAA may (if it is feasible to do so) take steps before such date to implement paragraph 9.2.2(b) or (c) on that date.
- 9.2.5 Where there is an Amount in Default on a Payment Date in respect of a BSC Debtor which is a Defaulting Party, the order in which the FAA shall act in accordance with the provisions (or whichever of them shall apply) of the sub-paragraphs of paragraph 9.2.2 shall be as follows: (b), (c), (a), (d) (and references therein to the application of prior paragraphs shall be construed accordingly).

9.3 Amount in Default

- 9.3.1 For the purposes of this Section N, an Amount in Default shall be "**paid or recovered**" on any Business Day, only if, and to the extent that:
- (a) an amount has been paid to the BSC Clearer by 15.30 hours on that Business Day and applied by the FAA on behalf of the BSC Clearer to that Amount in Default; or
 - (b) it has been recovered from the Non-paying BSC Debtor on that Business Day by operation of set-off pursuant to paragraph 2.6; or
 - (c) it has been recovered from the Non-paying BSC Debtor on that Business Day by applying its Cash Cover or the proceeds of its Letter of Credit in accordance with this paragraph 9.
- 9.3.2 Any amount received from a Non-paying BSC Debtor shall be applied by the FAA on behalf of the BSC Clearer in or towards Amounts in Default payable by the Non-paying BSC Debtor to the BSC Clearer on each successive Payment Date in respect of which there is an outstanding default, with the longest outstanding default being settled first, and where a day is a Payment Date for more than one Settlement Day, with the default in respect of the earliest Settlement Day being settled first.
- 9.3.3 As soon as any portion of an Amount in Default (whether attributable to principal or interest) is paid or recovered, the FAA on behalf of the BSC Clearer shall apply the proceeds:
- (a) first, to the Drawing; and
 - (b) secondly, to (and in proportion to) the Shortfall Amounts or the Default Share Amounts (in accordance with paragraph 9.6.8 below)

in relation to that Amount in Default.

9.4 Interest

- 9.4.1 Each Non-paying BSC Debtor shall pay to the account of the BSC Clearer:
- (a) if the FAA on behalf of the BSC Clearer made a Drawing to cover the Amount in Default, interest equal to the amount of interest and any banking charges

charged to the BSC Clearer by the BSC Banker from time to time in connection with that Drawing determined in accordance with paragraph 9.4.3; and

- (b) interest from time to time (after as well as before judgment) at the Default Interest Rate on the part of the Amount in Default not covered by a Drawing from the due date up to the day of its payment or recovery from the Non-paying Debtor.

9.4.2 The amount in paragraph 9.4.1 (a) shall be payable on or before the time for payment notified to the Non-paying BSC Debtor by the FAA (being 2 Business Days before the date on which interest is payable by the BSC Clearer under the Credit Facility to the BSC Banker for the month in which the principal amount was outstanding) into the Clearing Account.

9.4.3 The FAA on behalf of the BSC Clearer shall reasonably determine:

- (a) the amount of interest using the effective daily rate of interest on the basis of the aggregate interest (including compound interest); and
- (b) banking charges as being a proportionate share for the Non-paying BSC Debtor of the banking charges,

in each case payable under the Credit Facility in relation to the period for which the principal amount drawn in relation to the Amount in Default remained outstanding.

9.5 D+1

9.5.1 Subject to paragraph 9.6.2A, paragraphs 9.5.2 to 9.5.4 (inclusive) shall apply if:

- (a) the FAA on behalf of the BSC Clearer reduced payments to BSC Creditors in accordance with paragraph 9.2.2 (d); and
- (b) the Amount in Default is not paid in full by the Non-paying Debtor and/or recovered by operation of set-off pursuant to paragraph 2.6 by the Business Day after the Affected Date ("**D+1**").

9.5.2 Where this paragraph 9.5.2 applies, the FAA shall, on behalf of the BSC Clearer, not later than the close of business on D+1 act in accordance with the following provisions (or whichever of them shall apply) in the order in which they appear:

- (a) debit the Reserve Account with a sum being the lesser of the Amount in Default (including interest at the Default Rate) and that Non-paying BSC Debtor's Cash Cover and credit the Settlement Accounts (and the ledger accounts) of the Shortfall Creditors with that sum, in proportion to their respective Shortfall Amounts; and
- (b) if, after the application of paragraph (a), there remains any Shortfall Amounts:

- (i) make a call under the Non-paying BSC Debtor's Letter of Credit in a sum not exceeding the lesser of the Amount in Default (including interest due pursuant to paragraph 9.4) and the available amount of such Letter(s) of Credit; and
- (ii) cause the proceeds of such call to be paid forthwith into the Reserve Account.

9.5.3 On the next Business Day following receipt of such proceeds under a Letter of Credit in accordance with paragraph 9.5.2 (b), the FAA shall pay on behalf of the BSC Clearer such amounts as have been credited to the Reserve Account to the Shortfall Creditors in full or (as the case may be) in proportion to their respective Shortfall Amounts, except where paragraph 9.6.8 applies.

9.5.4 Where paragraphs 9.5.2 to 9.5.4 apply, the FAA shall promptly notify Shortfall Creditors and BSCCo and (where it takes action under paragraph 9.5.2) the Non-paying BSC Debtor.

9.6 D+2

9.6.1 Subject to paragraph 9.6.2A, paragraph 9.6.2 shall apply if:

- (a) the FAA on behalf of the BSC Clearer has made a Drawing pursuant to paragraph 9.2.2 (a); and
- (b) the Amount in Default is not paid in full by the Non-paying Debtor and/or recovered by operation of set-off pursuant to paragraph 2.6 by the second Business Day after the Affected Date ("**D+2**").

9.6.2 Where this paragraph 9.6.2 applies, the FAA shall, on behalf of the BSC Clearer, not later than 15.30 hours on D+2, act in accordance with the following provisions (or whichever of them shall apply) in the order in which they appear until the BSC Clearer has available sufficient funds in the Clearing Account to repay the Drawing to the BSC Banker:

- (a) debit the Reserve Account with a sum being the lesser of the Amount in Default (including interest due pursuant to paragraph 9.4) and that Non-paying BSC Debtor's Cash Cover and credit the Borrowing Account with that sum; and
- (b) if, after the application of paragraph (a), there remains an amount due and owing by the BSC Clearer to the BSC Banker, the FAA on behalf of the BSC Clearer shall:
 - (i) make a call under the Non-paying BSC Debtor's Letter(s) of Credit in a sum not exceeding the lesser of the Amount in Default (including interest due pursuant to paragraph 9.4) and the available amount of such Letter(s) of Credit; and
 - (ii) cause the proceeds of such call to be paid forthwith into the Borrowing Account.

9.6.2A Where (on the Affected Date) the Non-paying Debtor was a Defaulting Party:

- (a) paragraphs 9.6.1 and 9.6.2 shall apply on the basis that the reference in paragraph 9.6.1(b) to the second Business Day after the Affected Date is to the first Business Day after the Affected Date (and references to D+2 shall be construed accordingly);

- (b) the FAA shall act in accordance with paragraph 9.6.2 (on such basis) before acting in accordance with paragraph 9.5.2 (if applicable).

9.6.3 Subject to paragraph 9.6.3A, paragraph 9.6.4 shall apply if:

- (a) the FAA on behalf of the BSC Clearer made a Drawing pursuant to paragraph 9.2.2(a), and the BSC Banker has not been repaid in full pursuant to paragraph 9.6.2; or
- (b) the FAA on behalf of BSC Clearer reduced payments to BSC Creditors in accordance with paragraph 9.2.2(d), and the Shortfall Amounts have not been paid or credited to the Shortfall Creditors in full pursuant to paragraph 9.5.3

in either case, by 17.00 hours on D+2.

9.6.3A Where:

- (a) the Non-paying BSC Debtor has provided Cash Cover but for any reason the Reserve Account has not yet been debited in accordance with paragraph 9.5.2(a) or 9.6.2(a), and/or
- (b) the Non-paying BSC Debtor has provided Letter(s) of Credit, the FAA has (in accordance with paragraph 9.5.2(b) or 9.6.2(b)) made call(s) thereon which have not yet been paid, but the FAA has no reason to believe such call(s) will not be paid; and
- (c) the sum of the available amount of such Cash Cover and/or (otherwise uncalled) amounts of such Letter(s) of Credit subject to such call is sufficient to enable the outstanding Amount in Default to be paid or recovered,

the FAA, with the approval of BSCCo, may defer acting in accordance with paragraph 9.6.4 for a period not exceeding 3 Business Days; and accordingly the reference in paragraph 9.6.3 to D+2 shall be a reference to such later day as the FAA shall determine, not being later than the 5th Business Day after the Affected Date.

9.6.4 Where this paragraph 9.6.4 applies, the FAA shall:

- (a) determine the Amount in Default (including all interest accrued thereon) which has not been paid or recovered;
- (b) determine for each Payment Party other than the Non-paying BSC Debtor the amount (the "**Default Share Amount**") of that Payment Party's Annual Funding Share (on a default basis, for the month in which the Affected Date fell) of the Amount in Default;
- (c) in good time (in accordance with BSCP 301) for the relevant Payment Parties to give instructions for payments to be effected on the Default Payment Date, despatch to each Payment Party other than the Non-paying BSC Debtor an Advice Note showing the amount or amounts inclusive of VAT (as applicable to that Payment Party), determined under paragraph 9.6.5 below; and
- (d) notify BSCCo, the Panel and each Payment Party.

- 9.6.5 The amounts are:
- (a) for each Payment Party, the Default Share Amount; and
 - (b) for each Shortfall Creditor:
 - (i) the outstanding Shortfall Amount (including interest at the Default Rate for each day from and including the Affected Date to, but excluding, the Default Payment Date (as defined below)); and
 - (ii) the difference between the amounts under paragraph (a) and paragraph (b)(i).
- 9.6.6 Each Payment Party shall be liable to pay or (where the amount under paragraph 9.6.5(b)(i) is greater than the amount under paragraph 9.6.5(a)) entitled to receive the amount set out in the relevant Advice Note calculated in accordance with paragraph 9.6.5 (a) or if applicable, paragraph 9.6.5(b)(ii), not later than 15.30 on the second Business Day (the "**Default Payment Date**") after the date of the Advice Note and any payment made by a Payment Party to the BSC Clearer in accordance with this paragraph is a limited recourse loan on which interest is payable and which is repayable only to the extent set out in paragraph 9.6.8.
- 9.6.7 The provisions of paragraphs 8 and 9 shall apply to the making of payments under paragraph 9.6.6 and Payment Parties who fail to pay the amount in the Advice Note by the Default Payment Date shall be Non-paying BSC Debtors.
- 9.6.8 If, after despatching Advice Notes under paragraph 9.6.4(c):
- (a) any portion of the Amount in Default attributable to principal is paid or recovered, the FAA on behalf of the BSC Clearer shall distribute such amounts to Payment Parties in their Annual Funding Shares (as referred to in paragraph 9.6.4(b)); or
 - (b) any portion of the Amount in Default attributable to interest is paid or recovered, the FAA on behalf of the BSC Clearer shall distribute such amounts to Payment Parties in their Annual Funding Shares (as referred to in paragraph 9.6.4(b)).

9.7 No liability

- 9.7.1 The BSC Clearer shall have no liability in respect of any Shortfall Amount or Default Share Amount in accordance with this paragraph 9, save to the extent that the Amount in Default (including interest) is paid or recovered.

10. CONFIRMATION NOTICES IN RESPECT OF A PAYMENT DATE

10.1 Despatch of Confirmation Notices

- 10.1.1 Within two Business Days after each Payment Date the FAA shall, on behalf of the BSC Clearer, issue a Confirmation Notice to each Payment Party in respect of that Payment Date setting out the information required in paragraphs 10.2 and 10.3 and any other information required for the purposes of VAT.

10.2 Information – Trading Parties

10.2.1 The information required on a Confirmation Notice in respect of each Trading Party is as follows:

- (a) the identity of the Trading Party;
- (b) the amount (inclusive of an amount in respect of VAT) received in, or paid out of, the Clearing Account on the relevant Payment Date by the FAA on behalf of the BSC Clearer in respect of Trading Charges incurred or received by that Trading Party;
- (c) the amount received in, or paid out of, the Clearing Account on the relevant Payment Date by the FAA on behalf of the BSC Clearer in respect of Trading Charges incurred or received by that Trading Party, exclusive of VAT; and
- (d) the amount in respect of VAT received in, or paid out of, the Clearing Account on the Payment Date by the FAA on behalf of the BSC Clearer in respect of Trading Charges incurred or received by that Trading Party and the applicable rate at which such VAT is calculated.

10.3 Information - Transmission Company

10.3.1 The information required on a Confirmation Notice in respect of the Transmission Company is as follows:

- (a) the total amount (inclusive of an amount in respect of VAT) received in, or paid out of, the Clearing Account on the relevant Payment Date by the FAA on behalf of the BSC Clearer in respect of Daily System Operator BM Cashflow incurred or received by the Transmission Company;
- (b) the amount received in, or paid out of, the Clearing Account on the relevant Payment Date by the FAA on behalf of the BSC Clearer in respect of System Operator BM Cashflow incurred or received by the Transmission Company, exclusive of VAT; and
- (c) the amount in respect of VAT received in, or paid out of, the Clearing Account on the Payment Date by the FAA on behalf of the BSC Clearer in respect of System Operator BM Cashflow incurred or received by the Transmission Company and the applicable rate at which such VAT is calculated.

11. PAYMENT ERRORS

11.1 Overpayments

11.1.1 If, for any reason whatsoever, a Payment Party receives from the BSC Clearer on any Payment Date a payment in excess of the amount it is entitled to (an "**overpayment**"):

- (a) the Payment Party shall forthwith on becoming aware of the overpayment notify the FAA of the amount of the overpayment;
- (b) the FAA shall (if it has received notice from the BSC Banker or otherwise of the overpayment and the Payment Party has not already notified it) forthwith notify the Payment Party of the amount of the overpayment in writing; and

- (c) the Payment Party shall forthwith repay the overpayment to the relevant Collection Account.

11.1.2 For the purposes of this paragraph 11:

- (a) the "**overpayment notification date**" is the day on which a Payment Party notified the FAA or the FAA notified a Payment Party of an overpayment;
- (b) the "**repayment date**" is a Business Day falling two Business Days after the overpayment notification date; and
- (c) paragraph 2.6 shall apply as if references to "overpayments" were substituted for "Amount in Default".

11.1.3 If all or any part of an overpayment is not repaid to the relevant Collection Account by 1700 hours on the relevant Payment Date and a Credit Facility is available to the BSC Clearer, the FAA shall make a drawing by debiting the Borrowing Account and crediting the Clearing Account with a sum equal to the amount not repaid.

11.1.4 A Payment Party shall not be liable to pay interest on all or any part of an overpayment if and to the extent that:

- (a) an amount has been paid to the BSC Clearer by 1330 hours on the repayment date and applied by the FAA on behalf of the BSC Clearer to that overpayment; and/or
- (b) it has been recovered from that Payment Party on or before the repayment date by operation of set-off pursuant to paragraphs 2.6 and 11.1.2(c).

11.1.5 All interest and banking charges properly due from the BSC Clearer to the BSC Banker as a result of an overpayment shall be paid by BSCCo on behalf of the BSC Clearer on the date the interest and/or banking charges is payable to the BSC Banker.

11.2 Failure to repay overpayments

11.2.1 Paragraph 11.2.2 shall apply if by 1330 hours on the repayment date an overpayment has not been repaid in full and/or recovered by operation of set-off pursuant to paragraphs 2.6 and 11.1.2(c).

11.2.2 Where this paragraph 11.2.2 applies, the FAA shall, on behalf of the BSC Clearer, act in accordance with the following provisions (or whichever of them shall apply) in the order in which they appear until the BSC Clearer has available sufficient funds in the Clearing Account on the repayment date to repay the amount of the drawing to the BSC Banker:

- (a) debit the Reserve Account with a sum being the lesser of the overpayment and the relevant Payment Party's Cash Cover and credit the Borrowing Account with that sum; and
- (b) if, after the application of paragraph (a), there remains an amount due and owing by the BSC Clearer to the BSC Banker, the FAA on behalf of the BSC Clearer shall:

- (i) make a call under the relevant Payment Party's Letter(s) of Credit in a sum not exceeding the lesser of the overpayment and the available amount of such Letter(s) of Credit; and
 - (ii) cause the proceeds of such call to be paid forthwith into the Borrowing Account; and
 - (c) if and to the extent that, notwithstanding application of the foregoing measures, it is not possible to credit an amount in cleared funds equal to the overpayment to the Borrowing Account, apply paragraphs 9.6.4 to 9.6.8 (inclusive) as if references to "overpayments" were substituted for "Amount in Default" and references to interest were to interest in accordance with paragraph 11.2.3.
- 11.2.3 If a Payment Party does not repay any overpayment (or part thereof) on the repayment date, it shall pay interest from time to time (after as well as before judgment) at the Default Interest Rate on that overpayment (or part thereof) from the repayment date until the day of its payment.
- 11.2.4 Paragraph 9.3.3 shall apply to overpayments as if references to "overpayments" were substituted for "Amount in Default".

11.3 Underpayments

- 11.3.1 If, for any reason whatsoever, a BSC Creditor does not receive on the relevant Payment Date the full amount it is entitled to (an "**underpayment**"):
- (a) that BSC Creditor shall forthwith on becoming aware of any underpayment notify the FAA of the amount of the underpayment;
 - (b) the FAA after consultation with the BSC Banker and on behalf of the BSC Clearer shall use all reasonable endeavours to promptly to correct the underpayment; and
 - (c) the FAA on behalf of the BSC Clearer shall pay interest equal to the amount of interest earned by the BSC Clearer as a result of such underpayment to such BSC Creditor.

12. ENFORCEMENT OF CLAIMS

12.1 Duties of FAA

- 12.1.1 Except as otherwise expressly provided in this Section N and Section M, neither the FAA nor the BSC Clearer shall be required to ascertain or enquire as to the performance or observance by any Payment Party of its obligations under the Code and neither shall have a duty to inform the Panel or Payment Party of any default, other than a failure to pay, as may come to its attention.

12.2 Action to recover Default Share Amounts

- 12.2.1 Where a Payment Party has failed to make a payment required under this Section N and pursuant to paragraph 9.6.6 Payment Parties have borne Default Share Amounts of the Amount in Default, BSCCo shall, if the Panel so decides but not otherwise, institute proceedings on behalf of the BSC Clearer against the Non-paying BSC Debtor for the recovery of the Amount in Default and interest thereon.

- 12.2.2 The Panel shall make a decision for the purposes of paragraph 12.2.1 after consultation with the Payment Parties (other than the Non-paying BSC Debtor) and no later than 28 days after the Affected Date, and shall notify its decision to the Payment Parties.
- 12.2.3 Where the Panel decides that BSCCo should institute proceedings against a Non-paying BSC Debtor:
- (a) BSCCo shall institute and prosecute such proceedings with all reasonable diligence;
 - (b) such proceedings may be instituted by the FAA (if so agreed with BSCCo) on behalf of the BSC Clearer; and
 - (c) BSCCo shall keep the Panel informed of the progress of such proceedings, and shall not settle or discontinue the same without the Panel's approval.
- 12.2.4 Where it appears to BSCCo (on the recommendation of the FAA or otherwise) that any interim proceedings or other step should be taken, in relation to the Non-paying BSC Debtor, in order to protect the interests of the BSC Clearer and/or Payment Parties pending the decision of the Panel under paragraph 12.2.2, BSCCo shall take or instruct the FAA to take such interim proceedings or step on behalf of the BSC Clearer, after consulting where time permits with the Panel Chairman.
- 12.2.5 If the Panel decides under paragraph 12.2.2 that BSCCo should not institute proceedings, or does not make a decision by the time required under that paragraph, or later decides that any such proceedings should be discontinued, the BSC Clearer shall upon the written request of any Payment Party that it wishes to institute proceedings or take any action to recover its Default Share Amount together with interest at the Default Interest Rate:
- (a) assign to the requesting Payment Party a part of the Amount in Default equal to that Party's Default Share Amount; and
 - (b) if that Payment Party shall so request, at the sole cost of that Payment Party and upon such terms (as to indemnity from that Payment Party, payment in advance in respect of costs, and otherwise) as the Panel may require, institute or maintain on behalf of that Payment Party proceedings against the Non-paying BSC Debtor for recovery of its Default Share Amount.
- 12.2.6 Subject to paragraph 12.2.1, BSCCo on behalf of the BSC Clearer may take any other steps to recover payment from any Non-paying BSC Debtor, including proving in its insolvency, unless the Panel otherwise directs.

13. LEDGER ACCOUNTS

13.1 Maintenance of Ledger Accounts

- 13.1.1 The FAA shall maintain ledger accounts showing all amounts payable and receivable by each Payment Party and the BSC Clearer according to calculations made and notifications issued by the FAA pursuant to this Section N.

13.2 Ledger extracts

- 13.2.1 Each Payment Party shall be entitled to receive a quarterly extract of the ledger account which is relevant to it showing all amounts debited and credited to its account provided that

if a Payment Party so requests of the FAA, it shall be entitled to receive a monthly extract of such ledger account.

13.3 Certified copy extracts

13.3.1 In the event of any enforcement proceedings being brought against a Non-paying BSC Debtor pursuant to paragraph 12.2.3, the FAA shall forthwith upon request being made to it at the cost of the requesting Payment Parties provide a certified copy of an extract of the ledger accounts sufficient to establish the details of each Default Share Amount in respect of which those Payment Parties will have a claim against the Non-paying BSC Debtor upon assignment of that Default Share Amount by the BSC Clearer to those Payment Parties.

13.4 Confidentiality

13.4.1 The ledger accounts maintained by the FAA shall be kept confidential from the Panel and from all Payment Parties except as required:

- (a) pursuant to paragraph 13.2 or 13.3; or
- (b) for the purposes of calculating the amount of Energy Credit Cover to be provided by a Trading Party or monitoring or enforcing compliance by a Trading Party with its obligations with respect to the provision and maintenance of Credit Cover; or
- (c) to be disclosed to the BSC Auditor for the purpose of any BSC Audit.

13.5 Information

13.5.1 Any extract of a ledger account of any other records, data or information provided pursuant to paragraph 13.2 or paragraph 13.4 (collectively referred to in this paragraph 13 as the "**information**") shall, save in the case of manifest error, be deemed prima facie evidence of its contents.

13.6 Review of extracts

13.6.1 Each Payment Party shall promptly review all extracts of ledger accounts sent to it and shall (without prejudice to any of its rights under the Code) where practicable within 10 Business Days after receiving such information notify the FAA of any errors on the face of such account of which it is aware or, if it is not aware of any such errors on the face of the extracts, so notify the FAA.

13.7 Dispute of accuracy

13.7.1 If the FAA at any time receives a notice disputing the accuracy of any ledger account, records, data or information, it shall consult with the Payment Party who gave the notice and each shall use all reasonable endeavours to agree the information.

SECTION O: COMMUNICATIONS UNDER THE CODE

1. GENERAL

1.1 Introduction

1.1.1 This Section O sets out:

- (a) an outline of the arrangements for Communications under the Code; and
- (b) in relation to certain Communications between Parties and certain BSC Agents:
 - (i) requirements to be complied with by Parties and Party Agents in order to be able to send certain Communications to BSC Agents and ensure that certain Communications are received;
 - (ii) requirements as to the forms of certain Communications between Parties or Party Agents and BSC Agents;
 - (iii) the basis on which certain Communications will be treated as received by a Party or BSC Agent for the purposes of the Code.

1.1.2 In this Section O references to a Party do not include BSCCo or BSC Clearer.

1.1.3 For the purposes of this Section O:

- (a) "**Communication**" means any communication (including any notification, application, request, approval, acceptance, rejection, report or other data submission or data transfer) to be sent and received under the Code, and includes (where the context admits) the data flow and content comprised in such communication;
- (b) "**Communications Medium**" means a particular method of transmitting Communications, including telefax, e-mail, telephone or other electronic communications system (and includes the Managed Data Network as defined in paragraph 1.4.1);
- (c) a "**Data Catalogue**" is a document (or combination of documents) of that title, as established or adopted and from time to time modified by the Panel in accordance with the Code, containing a catalogue of certain Communications, specifying for each such Communication:
 - (i) the definition of the data items comprised in the Communication;
 - (ii) the format of the Communication;
 - (iii) in certain cases, the Communications Medium or alternative Communications Medium by which such Communication may be sent;
 - (iv) any other requirements as to the form of the Communication.

1.1.4 Data Catalogues are Code Subsidiary Documents.

1.2 Communications

- 1.2.1 Subject to any other specific provision of the Code, and subject to paragraph 1.2.2 and 1.2.3, the arrangements and requirements (including terms as to when the sending or receipt of a Communication is effective) which apply in relation to the various kinds of Communications are as follows (in each case where applicable to any Communication) :
- (a) Communications between (1) any Party and (2) the Panel, BSC Clearer (but not the FAA on its behalf) or subject to paragraph 1.2.3 BSCCo, are to be made in accordance with Section H9.2;
 - (b) Communications between the Transmission Company and a Party pursuant to Section Q are governed by the Grid Code as provided in Section Q;
 - (c) Communications between (1) Parties (including for the avoidance of doubt the Transmission Company pursuant to Section Q) or Party Agents and (2) BSC Agents (not including SVA Communications except as provided in paragraph 2.1.1(b)) are to be made in accordance with the further provisions of this Section O;
 - (d) SVA Communications are to be made in accordance with paragraph 1.4 (and with the further provisions of this Section O, if and to the extent applicable in accordance with paragraph 2.1.1(b));
 - (e) the arrangements for making communications between BSC Agents and/or between BSC Agents and Market Index Data Providers shall be contained in the relevant BSC Service Descriptions, BSC Agent Contracts, Market Index Data Provider Contracts and/or BSC Procedures or otherwise as established or approved by the Panel;
 - (f) unless otherwise provided in the Code, any other Communications between Parties are to be made in accordance with Section H9.2.
- 1.2.2 A Communication may be made by being posted on the BMRS or (where to be made by BSCCo or the Panel) by being placed on the BSC Website, in a case where any other provision of the Code expressly so provides.
- 1.2.3 BSCCo may arrange with any BSC Agent to send and receive Communications by any of the Communications Mediums by which Communications are made between that BSC Agent and Parties.
- 1.3 Data Catalogue**
- 1.3.1 Unless the Panel otherwise approves, any Communication which is specified in a Data Catalogue shall be sent and received in the form and format and using the Communications Medium (where specified) and otherwise in accordance with the requirements set out in that Data Catalogue (or where the Data Catalogue provides options, in accordance with one of the options), but subject as provided in paragraph 1.2.3.
- 1.4 SVA Communications**
- 1.4.1 For the purposes of the Code:
- (a) the "**SVA Data Catalogue**" is the Data Catalogue of that title (including a data interfaces document) relating to certain Communications between SVA data parties;

- (b) **"SVA Communication"** means any Communication which is specified in the SVA Data Catalogue or another Code Subsidiary Document as a Communication to be made using the Managed Data Network or an alternative approved method of SVA data transfer;
 - (c) **"SVA data parties"** means Suppliers, Supplier Agents, SMRAs, BSCCo, the SVAA and the Teleswitch Agent (but does not include the Certification Agent, the Profile Administrator or the TAA for SVA Metering Systems);
 - (d) the **"Managed Data Network"** is any third party service approved as such from time to time by the Panel for the purposes of transfers of data relating to Supplier Volume Allocation between inter alia SVA data parties;
 - (e) references to an alternative approved method of SVA data transfer are to such alternative method or methods of data transfer as the Panel may approve for the purposes of transferring data to and from SVA data parties in connection with Supplier Volume Allocation and/or SMRS.
- 1.4.2 SVA Communications shall be sent and received by the relevant SVA data parties using the Managed Data Network or an alternative approved method of SVA data transfer.
- 1.4.3 The BSC Agent Contract for the SVAA shall provide for the SVAA to have access to the Managed Data Network and to comply with the requirements of any Code Subsidiary Document in respect of transfers of data using the Managed Data Network, or for an alternative approved method of SVA data transfer, provided that the Panel shall not, save in exceptional circumstances, approve an alternative method of SVA data transfer if the charges for transferring data by that method will exceed the charges for using the Managed Data Network.
- 1.4.4 Each Supplier shall procure that:
- (a) each Supplier Agent for which it is responsible complies with the relevant requirements of applicable BSC Procedures in respect of transfers of data to and from SVA data parties, including the sending of data in accordance with the SVA Data Catalogue;
 - (b) without prejudice to paragraph (a), except to the extent otherwise specified by the Panel, procure that each such Supplier Agent uses the Managed Data Network or an alternative approved method of SVA data transfer.
- 1.4.5 Where applicable (in accordance with paragraph 2.1.1(b)) the further provisions of this Section O shall apply (unless in conflict with this paragraph 1.4) in relation to SVA Communications.

2. SCOPE AND INTEPRETATION

2.1 Application of further provisions of this Section O

2.1.1 The further provisions of this Section O apply in relation to:

- (a) Communications, other than SVA Communications, to be made between:
 - (i) Parties or Party Agents other than Supplier Agents, and
 - (ii) BSC Agents; and

- (b) SVA Communications which are to be made using an alternative approved method of SVA data transfer;

and references to "**Communications**" and to "**BSC Agents**" in the further provisions of this Section O shall be construed accordingly; and further references to this Section O are to the further provisions of this Section O.

2.1.2 This Section O shall apply in relation to each Party's Party Agents, and each Party shall be responsible for ensuring that its Party Agents send and receive Communications in accordance with and otherwise comply with the requirements of this Section O; and accordingly, where the context admits, a reference in this Section O to a Party includes its Party Agents.

2.2 Interpretation

2.2.1 For the purposes of this Section O:

- (a) in relation to a particular BSC Agent and one or more particular Communications Mediums a "**Data File Catalogue**" is a Data Catalogue applying in respect of Communications to be made between Parties and that BSC Agent by that or those Communications Medium(s);
- (b) a "**Communication Requirements Document**" is a document or documents of that title, as established or adopted and from time to time modified by the Panel in accordance with the Code, containing detailed requirements for sending and receiving Communications between Parties and one or more BSC Agents using one or more than one Communications Medium(s);
- (c) a "**Party System**" is the system or systems collectively which (or the use of which) a Party or (pursuant to paragraph 2.1.2) a Party Agent has or is required to have pursuant to paragraph 3.1.1;
- (d) "**Time Standard**" means any time standard specified (in relation to a BSC Agent and Communications Medium) in the relevant Communication Requirements Document.

2.2.2 Where the same person acts in the capacity of more than one BSC Agent, the Panel may decide that a single Data File Catalogue shall apply in relation to that person.

2.2.3 Communications specified in a Data File Catalogue are to be sent and received in accordance with that Data File Catalogue and the further requirements of this Section O and any applicable Communication Requirements Document.

2.2.4 References in the further provisions of this Section O to Communications are to Communications which are specified in a Data File Catalogue.

2.3 Communication Requirements Document

2.3.1 Each Communication Requirements Document sets out, in relation to the BSC Agent and each Communications Medium to which it relates:

- (a) a description and specification of the Communications Medium;
- (b) requirements (if any) as to the system(s) which are required by a Party in order to send and receive Communications using that Communications Medium;

- (c) details of the tests which are required of a Party in relation to its Party System in accordance with paragraph 3.2;
 - (d) any particular requirements applying to a Party where it wishes to modify its Party System;
 - (e) any security requirements (as further described in paragraph 3.4) applying in respect of the use of the Communications Medium by a Party;
 - (f) any further terms applying to the use of such Communications Medium by a Party;
 - (g) the basis on which (as further described in paragraph 4.2) it will be determined whether and when Communications sent using such Communications Medium are deemed to have been received;
 - (h) for the purposes of the matters in paragraph 4.2.2, the arrangements which exist within, or the configuration of, each relevant BSC Agent System, and the arrangements which are required to be a part of each Party System, for recording and logging and (in certain circumstances) acknowledging the sending and receipt of communications;
 - (i) the Time Standard applicable for the purposes in paragraph 4.2;
 - (j) details relating to planned BSC Agent downtime for the purposes of paragraph 4.3.
- 2.3.2 A Communication Requirements Document may specify any of the foregoing by reference to another Code Subsidiary Document.
- 2.3.3 Communication Requirements Documents are Code Subsidiary Documents.

3 PARTIES' OBLIGATIONS

3.1 Requirement to have a Party System

3.1.1 Each Party is required, at its expense, to ensure that:

- (a) it has or has the use of, and
- (b) it maintains and (where necessary under paragraph 3.3.3) upgrades,

a system or systems, which may include telecommunications facilities, other equipment, software and hardware, up to the interface with each Communications Medium or (as the case may be) BSC Agent System, in compliance with the applicable requirements of the applicable Communication Requirements Document, which enables the Party to send and receive Communications by the relevant Communications Medium and otherwise in the manner required by such Communication Requirements Document.

3.1.2 A Party may use its Party System for any purpose other than a purpose specified under the Code, provided that use does not affect the Party's ability to send Communications and the effective receipt of Communications in accordance with the requirements of this Section O.

3.2 Testing

3.2.1 Each Party shall submit to, and submit its Party System to, tests known as "network access tests" and "business process integration tests", as provided in the applicable Communication Requirements Document(s), in order to establish that:

- (a) the Party System is compatible with the relevant Communication Medium;
 - (b) the Party is capable of sending and receiving Communications using the relevant Communication Medium and otherwise in accordance with the applicable Communication Requirements Document.
- 3.2.2 The provisions of the applicable Communication Requirements Document shall apply for the purposes of determining if and when a Party and its Party System have satisfied the tests referred to in paragraph 3.2.1.
- 3.2.3 Each Party is required to comply with paragraph 3.1.1(a) and to satisfy the tests in paragraph 3.2.1 before it is registered in CRS pursuant to Section A4.1.5.

3.3 Changes to Party Systems

- 3.3.1 A Party may modify its Party System at any time, provided that:
- (a) the Party notifies its intention to modify its Party System to BSCCo if required to do so by the Communication Requirements Document;
 - (b) the modification does not affect the Party's ability to receive and send Communications; and
 - (c) the modification is made in compliance with the applicable requirements set out in the Communication Requirements Document.
- 3.3.2 A Party which modifies its Party System may be required to carry out such further testing (in accordance with paragraph 3.2.2) as may be specified in or determined in accordance with each Communication Requirements Document.
- 3.3.3 It shall be the responsibility of each Party to modify its Party System from time to time and to take any other steps, upon any change (in accordance with Section F) in any Data File Catalogue or Communication Requirements Document (including any change in a Communications Medium), so as to ensure that the Party and its Party System continues to comply with this Section O (and remains compatible with the Communications Medium).

3.4 Security

- 3.4.1 A Communication Requirements Document may specify, in relation to any particular Communication or in relation to the use of the relevant Communications Medium, requirements as to security of the Communication and/or Communications Medium, including by reference to any one or more of:
- (a) passwords and security keys;
 - (b) firewalls at relevant gateways from and to which Communications will be sent and at which Communications may be received;
 - (c) other encryption methods as may be specified in the Communication Requirements Document.
- 3.4.2 Each Party shall, but without prejudice to paragraph 4.1.3, take all reasonable steps to prevent unauthorised access to a Communication or Communications Medium and shall exercise care in the use of passwords and security keys in particular, to prevent unauthorised use of them.

- 3.4.3 If a Party becomes aware of a breach of security in relation to a Communication or Communications Medium, it shall promptly take such steps as may be required under the Communication Requirements Document in relation thereto, including notifying BSCCo and the relevant BSC Agent accordingly.

4 RULES AS TO COMMUNICATIONS

4.1 Form and effect of Communications

- 4.1.1 Parties shall send Communications using the applicable Communications Medium and in the format and in accordance with all other applicable requirements set out in the Data File Catalogue or other applicable Communication Requirements Document.

- 4.1.2 For the purposes of the Code a communication made by a Communications Medium and otherwise in accordance with the requirements specified in or pursuant to this Section O shall be a valid and effective Communication; and the Parties hereby confirm that they intend such communications to have legal effect for the purposes of the Code.

- 4.1.3 It shall be assumed that any person:

- (a) using a Party's Party System, and
- (b) where paragraph 3.4 applies, using the relevant identification, password, security key or authorisation or otherwise appearing to comply with the applicable security measures,

for the purposes of sending or receiving any Communication, is authorised to access and use the Party System and to send and receive Communications in the name of and on behalf of the Party; and any Communication so sent or received shall be considered to have been sent or received by that Party.

- 4.1.4 A Party may not send and shall not be entitled to receive a Communication by a means other than one required or permitted under this Section O, and must otherwise comply with the applicable requirements of this Section O in order to send Communications; and it is acknowledged that:

- (a) where a Party does not comply with such requirements:
 - (i) the Party may be unable to send Communications;
 - (ii) a Communication sent to the Party in accordance with the requirements of paragraph 4.2.3 shall be properly sent and treated as received, notwithstanding that the Party may be unable to receive or access that Communication;
- (b) where the Party attempts to send a Communication other than in accordance with such requirements, the Communication shall be treated as not having been sent and shall be of no effect.

4.2 Effective receipt of Communications

- 4.2.1 The Communication Requirements Document will specify, for the relevant Communications Medium and BSC Agent, and for all or particular Communications, the basis on which and time with effect from which a Communication is treated as received for the purposes of the Code.

- 4.2.2 In particular, in relation to Communications Mediums comprising electronic forms of communication, the Communication Requirements Document may specify:
- (a) the equipment, to form part of the BSC Agent System and/or Party System (each referred to in this paragraph 4.2 as a " system"), by which, and the basis on which, the sending and/or receiving of a Communication is to be logged and recorded; and the basis on which such log or record is to be made available to any Party or other person for audit or other purposes;
 - (b) whether a Communication is treated as received for the purposes of the Code when logged as sent by the sender's system or as received by the receiver's system;
 - (c) whether the receiver's system will send an acknowledgement of receipt of a Communication and (if so) whether or not the sending of such acknowledgement of receipt is a condition to the Communication being treated as received for the purposes of the Code;
 - (d) any requirements applying where a message comprising a Communication is not properly received or is not accessible by the receiver, including any steps to be taken by the receiver and/or sender and whether the taking of or failure to take such steps has any effect in respect of the effective receipt of such Communication for the purposes of the Code;
 - (e) the basis on which (for the purposes of paragraph (b)) the time of sending or (as the case may be) receipt of a Communication will be logged, using the relevant Time Standard, where applicable.

4.2.3 It is agreed and acknowledged that (subject to paragraph 4.1.4(a)(ii)):

- (a) Communications will be treated for the purposes of the Code as received (and as effective) by reference to and in accordance with the relevant arrangements and requirements specified in the Communication Requirements Document, and will not be treated as received other than in accordance with such arrangements and requirements; and
- (b) where and to the extent that the Communication Requirements Document so specifies (and provides for arrangements and requirements which include a Time Standard for this purpose), the time with effect from which a Communications will be treated for the purposes of the Code as received will be the time determined in accordance with such arrangements and requirements and the Time Standard therein.

4.3 BSC Agent Downtime

4.3.1 Each Communication Requirements Document sets out, in relation to the relevant BSC Agent and Communications Medium:

- (a) the basis on which the BSC Agent System or Communications Medium may be withdrawn (in whole or in part) from operation for maintenance or other purposes or may otherwise be unavailable; and
- (b) terms as to the expected notice to be given of such withdrawal or unavailability and the expected duration of each such withdrawal or unavailability.

4.3.2 For the purposes of this Section O "**planned BSC Agent downtime**" means any period during which a BSC Agent's BSC Agent System or Communications Medium is withdrawn or unavailable in the circumstances referred to in paragraph 4.3.1.

4.3.3 During planned BSC Agent downtime, Parties will not be able or entitled to send or receive Communications to or from the relevant BSC Agent (and to that extent will not have use of or access to the relevant Communications Medium).

4.4 Other obligations

4.4.1 Each Party shall use reasonable endeavours to ensure that its use of any Communications Medium does not disrupt the use by other Parties of that or other Communications Mediums.

4.4.2 Parties shall not send Communications containing content which is illegal, immoral, pornographic, inciteful, defamatory or contrary in any way to applicable laws, practises and regulations.