

Modification proposal:	Balancing and Settlement Code (BSC) P225: Housekeeping modification: Updating references to the Party Service Lines (P225)		
Decision:	The Authority ¹ directs that this proposal be made ²		
Target audience:	National Grid Electricity Transmission Plc (NGET), Parties to the BSC and other interested parties		
Date of publication:	07 August 2008	Implementation Date:	06 November 2008

Background to the modification proposal

Party Service Lines (PSLs) are a form of BSC Code Subsidiary Document (CSD), which set out the functional requirements in respect of specific services which are to be carried out either by BSC Parties or their agents in order to discharge obligations under the BSC.

Following a review of the CSDs the BSC Panel agreed that a single non-functional PSL document should be created, and that in order to reduce duplication, the functional requirements of the existing PSLs should be moved into the relevant BSC Procedures documents (another form of CSD). The full findings of the CSD Review are available on the elexon website³.

The modification proposal

This modification proposal is simply to revise the references to the Party Service Lines within the BSC, to reflect their new location in the CSDs. However, Party Service Lines 110, 120, 130, 140, 150, 160, 170 and 180 will be removed completely. The opportunity has also been taken to address obvious typographical errors.

BSC Panel⁴ recommendation

At its meeting on 10 July 2008 the Panel recommended unanimously that P225 should be made.

The Authority's decision

The Authority has considered the issues raised by the modification proposal and the Final Modification Report (FMR) dated 10 July 2008. The Authority has considered and taken into account the responses to Elexon's⁵ consultation which are attached to the FMR⁶. The Authority has concluded that:

1. implementation of the modification proposal will better facilitate the achievement of the relevant objectives of the BSC⁷; and
2. directing that the modification be made is consistent with the Authority's principal objective and statutory duties⁸.

¹ The terms 'the Authority', 'Ofgem' and 'we' are used interchangeably in this document. Ofgem is the Office of the Gas and Electricity Markets Authority.

² This document is notice of the reasons for this decision as required by section 49A of the Electricity Act 1989.

³ http://www.elexon.co.uk/documents/BSC_Panel_and_Panel_Committees/BSC_Panel_Meetings_2006_-_115_-_Papers/115_08.pdf

⁴ The BSC Panel is established and constituted pursuant to and in accordance with Section B of the BSC.

⁵ The role and powers, functions and responsibilities of ELEXON are set out in Section C of the BSC.

⁶ BSC modification proposals, modification reports and representations can be viewed on the Elexon website at www.elexon.com

⁷ As set out in Standard Condition C3(3) of NGET's Transmission Licence, see: http://epr.ofgem.gov.uk/document_fetch.php?documentid=4151

⁸ The Authority's statutory duties are wider than matters which the Panel must take into consideration and

Reasons for the Authority's decision

We note, and agree with, the unanimous view of the Panel and those Parties who expressed a view⁹ that this change should be made as it should better facilitate relevant code objectives (c) and (d) respectively.

Objective (c) - promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity

We agree with the Panel's conclusion that P225 will help to promote competition insofar as it will improve the clarity and transparency of the rules and processes which apply to market participants. The clearer market rules and procedures are, the easier and cheaper it is for participants to operate in that market. We therefore consider that anything which reduces complexity is generally good for competition, both from incumbents and new entrants alike.

Objective (d) - promoting efficiency in the implementation and administration of the balancing and settlement arrangements

Increased clarity will also deliver efficiency benefits insofar as time and effort can be inefficiently expended where arrangements are confusing, or at worst misleading. In particular we note that the implementation of this proposal will remove a lot of duplication between the various CSDs, which will aid consistency and transparency.

Decision notice

In accordance with Standard Condition C3 of NGET's Transmission Licence, the Authority, hereby directs that modification proposal BSC225: *'Housekeeping modification: Updating references to the Party Service Lines'* be made.



Mark Feather

Director, Industry Codes and Licensing

Signed on behalf of the Authority and authorised for that purpose.

are detailed mainly in the Electricity Act 1989.

⁹ One respondent to the Report Phase consultation provided a neutral response, noting that the proposal did not affect its organisation.