

Stage 03: Assessment Consultation

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

P256: Improving Efficiency and Clarity of the Trading Disputes Process

P256 seeks to improve the efficiency and clarity of the Trading Dispute process following a review undertaken by the Trading Disputes Committee.



Modification Group's initial majority recommendation is the **approval** of P256



High Impact:
The Trading Disputes Committee, BSCCo and Parties who want to raise a Trading Query/Dispute

P256
Assessment Consultation

19 May 2010

Version 1.0

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About this document:

The purpose of this Assessment Consultation is to obtain views or further evidence from BSC Parties and other interested parties on the merits of the change discussed in this document.

There are 4 parts to this Assessment Consultation:

- This is the main document. It outlines the solution, impacts costs, benefits and the potential implementation activities associated with this change.
- **Attachment A** sets out the Modification group's discussions, which resulted in the proposed solution
- **Attachment B** is the draft legal text that will deliver the solution
- **Attachment C** is the Assessment Consultation Questions response form, which includes all the questions highlighted in Part 1 of the Assessment Consultation document.

The Group will consider the consultation and impact assessment responses at its next planned meeting on 14 June 2010, when it will make its final recommendation as to whether the change should be made. The Panel will consider this recommendation and the Group's full Assessment Report at its meeting on 08 July 2010. The Panel will then consult on its own recommendation to the Authority.



Any questions?

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What is the Trading Disputes Committee?

The role of the Trading Disputes Committee is to ensure that all Trading Disputes are resolved so that errors are corrected and the integrity of Settlement is maintained.



What is a settlement error?

A settlement error is where a breach of the BSC has occurred which has had an impact on Trading Charges.

Why Change?

The Trading Disputes process was last reviewed in 2002. This led to the implementation of Modification Proposal P131 in 2004. Subsequent industry feedback has indicated that the process is inefficient and too complex.

The Trading Dispute Committee (TDC) instigated a review of its processes in 2009, which resulted in 12 recommendations designed to address areas of complexity, improve clarity and streamline the assessment of Trading Disputes. Eight of these recommendations are being progressed via 3 Modification Proposals (P256, P257 and P258). P256 is proposing changes to implement five of the Trading Disputes review recommendations.

Solution

Proposed Solution

The Proposed solution seeks to improve the efficiency and clarity of the Trading Disputes Process by:

- giving the TDC the power to make decisions on rectification methods for Post Final Settlement Runs (PFSRs), Extra Settlement Determinations (ESDs) and decisions not to rectify, while also introducing the ability for Parties to refer such decisions to the Panel;
- allowing the TDC to amend the End Date of a Trading Query/Dispute¹ where specified on the Raising Form but the error extends beyond that date;
- changing the SVA HH query deadline from Second Reconciliation (R2) + 20 WDs to align with the SVA NHH query deadline of the Final Reconciliation (RF) + 70 WDs;
- removing the concept of Precautionary Trading Queries; and
- increasing the clarity of the definition of 'settlement error'.

Potential Alternative Solution

The Modification Group developed a potential alternative modification which is identical to the proposed, with the exception that the changes to the SVA HH Query deadline would remain unchanged.

Impacts & Costs

The P256 Proposed and potential alternative solutions involve no system impacts.

Both the P256 Proposed and potential alternative solutions will require changes to Section W and BSCP11. The BSCP11 changes will be drafted and consulted on as part of the Report Phase.

The estimated implementation costs are £1,760 which equates to 8 Man Days of ELEXON effort.

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¹ Trading Queries/Disputes and Trading Dispute/Query, will be referred to as Queries/Query or Disputes/Dispute throughout the rest of this document.

Implementation

If approved the Group recommends P256 is implemented on:

- **04 November 2010** if a decision is reached by 24 September 2010: or
- **the Next Available Release** if a decision is made after 24 September 2010.

The Case for Change

The Group's initial majority view is that P256 Proposed will increase the efficiency and effectiveness of the Trading Disputes Process by:

- widening the set of affected Settlement Periods that can be considered under a Trading Query or Dispute;
- providing greater opportunity for Parties to correct errors in their Trading Charges, and so increasing the accuracy of Settlement;
- streamlining the decision making process relating to the rectification of Trading Queries and Disputes; and
- making the overall process easier for Parties to understand and use.

The Group's initial majority view is that P256 Proposed is better than the current baseline and will better facilitate the achievement of Applicable BSC Objective (d) and to a lesser extent (c).

The P256 potential alternative was developed on the grounds that the SVA HH deadline should remain unchanged to provide an incentive for SVA HH errors to be resolved in a timely manner by the Final Reconciliation (RF) Settlement Run.

A minority of the Group believe that potential alternative solution better facilitates the achievement of Applicable BSC Objective (d) and to a lesser extent (c) and is also better than the Proposed.

Recommendations

The Groups Initial majority view is that P256 Proposed should be made.

The Group invites you to comment on this as part of the consultation.



What does the Code say on updating data?

Section U2.1.2 enables data to be updated with the latest available between the 1st Reconciliation (R1) Settlement Run to the Final Reconciliation (RF) Settlement Run without the need for a Dispute



What are Performance Assurance Techniques?

The Performance Assurance Framework (PAF) is a complementary set of preventative, detective, incentive and remedial assurance techniques. These techniques are used flexibly to address Settlement Risks

The Trading Disputes Process

The Trading Disputes process is a remedial Performance Assurance technique that provides a mechanism for correcting identified settlement errors where the Code has not been followed or the error was not previously identified. Any data can be corrected before the Initial Settlement (SF) Run but after this can only be changed through the Disputes process or if the Code explicitly allows it.

Trading Disputes can arise as a result of errors in the data, processes and/or application of the rules used for the purposes of Settlement, where such errors affect the determination of Trading Charges paid to or from Parties. The Trading Disputes process allows for incorrectly derived Settlement data to be re-calculated, and for the corrected Trading Charges to be adjusted accordingly. The process is defined in Section W 'Trading Queries and Trading Disputes' of the BSC and BSCP11 'Trading Disputes and Trading Queries'.

The 2009 Review

The Trading Disputes process was last reviewed in 2002, which resulted in Modification Proposal [P131](#)². Over the recent years feedback from the industry has indicated that the current process is too complex. It includes steps that add no value and some Disputes criteria are no longer fit for purpose. This has stopped some Parties participating in the process and reduced the number of Disputes being raised each year.

As a result of this feedback as well as the time elapsed since the last review, the Trading Disputes Committee (TDC) instigated a review of the Trading Disputes process to identify improvements that would make the process more user-friendly, simpler and efficient.

Further details on the Trading Disputes process and the review can be found in Attachment A, Section 1.

Why has P256 been raised?

The TDC identified 12 changes that would speed up the overall process, encourage participation and make the process easier to understand. Modification P256 is progressing 5 of these:

1. Expanding the remit of the TDC around Rectification decisions;
2. Allowing the TDC to amend Trading Dispute end dates;
3. Changing the SVA Half Hourly (HH) Query Deadline;
4. Removing Precautionary Queries from the process; and
5. Increasing the clarity of the definition of 'settlement error'.

These proposed changes were issued for industry consultation during November 2009 and received unanimous support among the small number of responses that were received.

Related changes

P256 is one of three Modifications that are taking forward the outcomes of the Trading Dispute process review. The other two cover:

- P257 - Removal of the concept of Trading Queries; and
- P258 - Including Party Agents in the Trading Disputes process.

A Change Proposal (CP) is also being put together to take forward non Code related changes to BSCP11.

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² P131 - Introduction of further provisions relating to the determination of Trading Disputes

What are the areas that P256 is trying to improve?

Rectification Decisions

Concern has been expressed within the industry at the lack of referral rights on certain decisions relating to the rectification of settlement errors via the Trading Disputes process.

Rulings on Trading Disputes are made by the TDC. The TDC consists of impartial industry experts who have been appointed by the BSC Panel. If a Party should disagree with a TDC ruling an escalation route to the Panel, and further to arbitration, exists as part of the Trading Disputes process.

If a Party disagrees with a TDC decision or the TDC fails to reach a majority decision, the TDC or that Party can refer the matter to the Panel within 30 days. If the Party disagrees with the Panel's decision in respect of those matters referred from the TDC it can, within 30 days, refer the matter to arbitration.

Parties can only appeal (via arbitration) Dispute decisions that have been made by the TDC and subsequently referred to the Panel. The decisions made by the TDC constitute checks against:

- The three Disputes criteria; and
- Determination on replacement data.

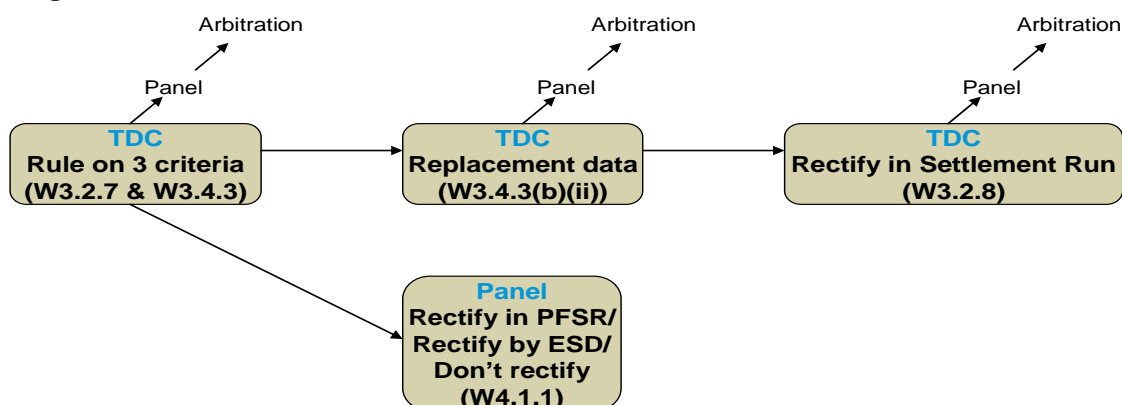
Where rectification cannot be effected via one of the normal, scheduled Settlement Runs (SF to RF) the Panel makes a determination regarding Trading Disputes taking into consideration the recommendation of the TDC. These decisions concern the rectification approach and are:

- Authorisation of a Post-Final Settlement Run
- Authorisation of an Extra-Settlement Determination
- The decision to not rectify a Dispute

Parties have no right of appeal (via arbitration) for these rectification decisions as such decisions are made solely by the Panel and fall outside the arbitration criteria in Section W of the Code.

Diagram 1 below demonstrates what can and cannot be taken to arbitration.

Diagram 1: Which decisions can be taken to arbitration.



Trading Dispute end dates

A Dispute will not be accepted or processed by ELEXON unless the raising form (BSCP11/01) that is submitted contains all affected Settlement Periods claimed. Where an end date is not specified it will be assumed that the alleged settlement error is ongoing.



What is the BSC Panel?

The BSC places an obligation on the BSC Panel to ensure that the provisions of the BSC are given effect: fully, promptly, fairly, economically, efficiently, transparently and in such a manner as will promote effective competition in the generation, supply, sale and purchase of electricity.



What are the three Dispute Criteria?

1. Raised before the applicable deadline,
2. There is a settlement error,
3. The materiality exceeds the threshold (as set out in BSCP11)

However, the TDC does not have the authority to amend the start or end dates where specified on the raising form. This means that if the error extends beyond the end date specified on the raising form a second Dispute would need to be raised so that all affected Settlement Days are covered. This creates unnecessary administrative work for both the Raising Party and ELEXON.

The SVA HH Query Deadline

The Query Deadlines are established by the BSC and defined in BSCP11 Section 2.1. The deadlines were set so that Parties would be encouraged to detect settlement errors promptly and hence raise Disputes in a timely manner. Most of the Query Deadlines are still fit for purpose and do not require changing. However it has become apparent that the SVA HH Query Deadline of Second Reconciliation (R2) Run + 20 Working Days (WD) is too strict.

Parties can correct data outside of the Disputes process until the Final Reconciliation (RF) Run. The current Second Reconciliation Run (R2) + 20WD deadline does not provide a long window of opportunity to identify errors. These competing factors mean that Parties only need to raise a Query should they feel that an identified error will not be resolved by the RF Run.

Some of the settlement errors that are investigated under Queries that are raised are found to have been resolved within the normal course of Settlement. There appears to be little value in investigating and presenting such Queries for the consideration of the TDC.

Most SVA HH errors, however, are discovered during site visits or during the Change of Supplier / Change of Agent processes. These errors have often existed for many months or years.

The current HH deadline has discouraged some Parties from participating in the process as they feel it is not worth raising a HH Dispute as they still have until RF to resolve it without requiring a Dispute to be raised. As a result the average number of Disputes being raised per year has declined from an average of 27 a year, prior to the implementation of P131 in 2004, to an average of 21 a year.

Parties can ask the TDC to consider errors arising in Settlement Periods for which the Query Deadline has passed. This requires the Parties to provide evidence that exceptional circumstances prevented them from identifying the errors at an earlier stage. Such a claim is investigated by ELEXON and presented to the TDC with appropriate evidence. The number of Disputes featuring exceptional circumstances claims has risen considerably in the 2009/2010 year, with 24 out of the 29 Disputes raised claiming exceptional circumstances compared to a total of 11 claims across all previous years. Most of these claims are HH disputes that could not be raised within the existing R2 +20 WD timetable. Aligning the HH Query Deadline with the NHH Query Deadline of RF +70WDs would ensure that the TDC focused its attention on only those settlement errors which could not be resolved in normal settlement timescales.

Precautionary Queries

Precautionary Queries are part of the current Disputes process and are defined in Section 3.2 of BSCP11. They are SVA HH Queries that are likely to be resolved outside the Disputes process but are raised 'just in case' so as to meet the R2 Run + 20WD window described above. They are placed on hold until either the error is resolved or until the Third Reconciliation Run (R3) + 5WD when they will be treated as a normal Query.

Currently even if the Query is resolved outside the Disputes process the TDC will have to formally close it, which is inefficient.

Settlement error definition

Settlement error is defined in BSC Section W.1.3. Three criteria must be satisfied in order for a settlement error to exist:

- There must be an error in the data and/or processes or the application of the rules used for the purposes of Settlement.
- Must constitute a breach of the BSC
- Must impact Trading Charges

The current settlement error definition is difficult to understand. It has been recognised that the definition needs to be legalistic however a few minor changes could make it easier to understand.

How will the P256 solution resolve the issues?

To resolve the identified issues, the following changes are included in the Proposed Solution:

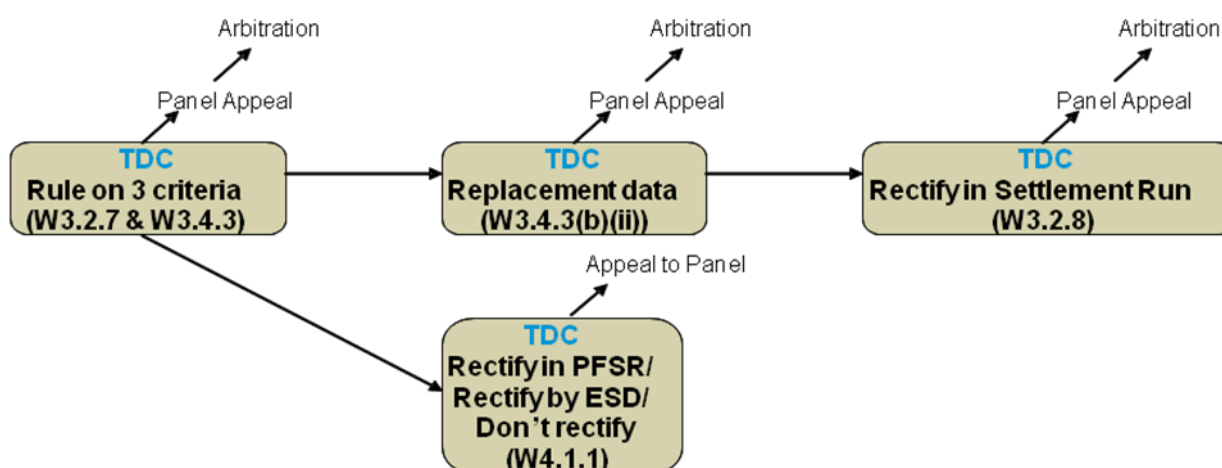
The TDC to approve all rectification approaches

To address the concerns over Parties' inability to appeal certain rectification approaches, it is proposed to enable the TDC to determine all rectification approaches. Parties would then be given the right to refer these decisions to the Panel. If referred to the Panel, the Panel's decisions on Post-Final Settlement Run (PFSR), Extra-Settlement Determination and decision not to rectify would not be referable to arbitration³ as per the current process.



What is a Post Final Settlement Run (PFSR)?

Is a Settlement Run that is carried out after the Final Reconciliation (RF) Settlement Run to correct an error in settlement data.



This creates a referral mechanism for decisions on post RF rectification approaches, allowing for a second view to be taken without eroding the overall principles relating to Panel decisions of this kind. This approach would also speed up the overall Disputes process by removing the need for the TDC to make a recommendation to the BSC Panel regarding rectification, therefore providing more immediate answers to the Raising Party and allowing it and its Agents more time to submit replacement data if a Post Final Settlement Run (PFSR) is required.

The TDC to have authority to extend the end date of Disputes

It is proposed that the TDC should be able to amend the end date of the Dispute where it has been specified on the raising form, but the error extends beyond this specified date. This will involve a Code change to make it clear that the TDC has an authority to extend the end date of the Dispute to cover all affected Settlement Days if deemed appropriate.

Align the SVA HH Query Deadline with the NHH Query Deadline of RF+70WD

The SVA HH Query Deadline should be aligned with the SVA Non Half Hourly (NHH) Query Deadline of RF + 70WDs. This new deadline will allow BSC Parties more time to uncover errors and encourage participation in the process. It will also avoid ELEXON and the TDC investigating errors that have been resolved in the normal course of Settlement.

Changes to the Code would be made to align the SVA NHH and HH Query deadlines, in so far that the timescales associated with them would be the same. BSCP11 would then need to be amended to reflect that the SVA HH deadline was RF + 70WDs.

³ The Party could seek resolution in the courts if it was not happy with the Panel's decision.

Removal of the concept of Precautionary Queries from BSCP11

Extending the SVA HH Query Deadline would remove the need for the Precautionary Queries. Therefore, P256 also proposes the removal of Precautionary Queries from BSCP11, further streamlining and simplifying the process.

Increase clarification around settlement error definition

To assist clarity and understanding of 'settlement error' the definition should be amended to:

- Include a cross-reference in Section W1.3.1 to Section W1.3.2 in order to make it clear that these two paragraphs need to be read together for the full definition of settlement error; and
- Capitalise 'settlement error' to make it clear that it is a defined term in the Code. Section X of the Code should include a reference to the definition of "settlement error" in section W1.3.1.

The Group's discussions on each element of the proposed solution can be found in attachment A, section 3.

Question 1

Would the Proposed Modification help to achieve the Applicable BSC Objectives?

[The Group invites you to give your views using the response form in Attachment C](#)



What is an Alternative Modification?

An Alternative Modification must better facilitate the BSC Objectives compared with the Proposed Modification and address the issue of defect identified in the Modification Proposal.

Has the Group identified any other solutions?

The Modification Group identified an potential alternative solution that is identical to the Proposed solution, with the exception that the SVA HH Query Deadline would remain as R2 +20 WDs. Section W3.2.2 would also remain unchanged.

Under the proposed solution, Precautionary Queries would be removed as it is a superfluous process and would become obsolete as a result of extending the SVA HH query deadline. For the potential alternative, the Group agreed that Precautionary Queries should still be removed from BSCP11. This concept is superfluous since, in practice they are raised within the R2 + 20WD timeframe and then investigated and taken to the TDC for decision, so rather than raising a Precautionary Query for a potential SVA HH error, the Party can just raise a normal Query within the R2 + 20WD timeframe .

The Group all agreed that the potential alternative solution was better than the current Baseline. However as detailed in section 7, the Group was split over whether the Proposed or potential alternative solutions should be approved.

Details of the Groups discussion on the potential alternative solution and other areas that were considered can be found in Attachment A Section 3

Question 2

Do you believe that there are any alternative solutions which the Modification Group has not identified, and which it should consider?

The Group invites you to give your views using the response form in Attachment C

5 Impacts & Costs

Costs

ELEXON Cost	ELEXON Service Provider Cost
8 Man Days equating to £1,760 to cover the costs of updating the Code and affected Code Subsidiary Documents.	None – P256 will not affect the activities of Service Providers

Impacts

Impact on BSC Parties and Party Agents

BSC Parties and Party Agents should experience a Trading Disputes process that is more efficient and easier to understand and use.

Impact on Transmission Company

None

Impact on ELEXON

Area of ELEXON's business	Potential impact
Trading Disputes Processes	TDC Terms of Reference; Disputes Process Guidance Notes

Impact on Code

Code section	Potential impact
Section U	The Code changes for P256 Proposed and the potential alternative solutions are identical, the difference arise in the changes to the Query deadlines in BSCP11. The proposed changes are to effect the changes set out in the Proposed and potential alternative solutions above.
Section W	
Annex X-1	Addition of 'Settlement Error' to Annex X-1

Impact on Code Subsidiary Documents

CSD	Potential impact
BSCP11	Updates to capture: <ul style="list-style-type: none">the TDCs additional authority to make decisions on PFSRs, ESDs and decisions not to rectify;TDCs ability to amend End Dates;(For P256 Proposed only) amend the SVA HH query deadline to RF + 70WDs(For P256 potential alternative only) leave the SVAA HH query deadline unchanged as R2 + 20WDs; andremove Precautionary Queries.

ELEXON will draft the necessary changes to the BSCP11 and consult the industry on the changes during the Report Phase.

How will P256 be implemented?

The Group discussed the need for a clear implementation date following an Authority decision so that Parties were aware of when the new process would take effect.

The majority of the Group agreed that an implementation approach with a clear operational day cut over from the existing processes to those introduced by the Modification is more suitable than an implementation approach set around a specific Settlement Day. This was on the grounds that there would be no need for a run-off or parallel running of old and new processes which would likely give rise to confusion among Parties, if a Settlement day implementation was used.

What this means in practical terms is the criteria used to assess the validity will depend upon the date the Dispute was raised in relation to the implementation date.

The process that may be employed will vary across the implementation date so a dispute may start out on one track but end up being progressed using the new processes.



Recommendation

The majority of the Modification Group recommends approval of the P256 Proposed.

An Example, Rectification decision:

A Party submits a Dispute concerning an error that will require either a PFSR or ESD to correct.

The Party submit the Dispute prior to the P256 implementation date, however once it is processed, P256 has been implemented. When the Dispute is presented to the TDC, they make the decision on the rectification approach required, which the Parties can then refer to the Panel if it disagrees.

The majority of the Group also believed that there was no need to excessively delay implementation following an Authority decision as there are no system related changes, only procedural changes.

The Group therefore recommends that, if the Authority approves P256, the changes to the BSC are implemented on:

- **04 November 2010** if a decision is made by 24 September 2010; or
- the **Next Available Release** if a decision is made after 24 September 2010.

This will enable the changes to be implemented promptly, while giving Parties a clear date for when the new processes will apply.

Further details on the Group's discussion and rationale on the implementation approach is provided in Attachment A, section 3.

Question 3

The Group believes that the P257 changes to the BSC should be implemented either on: **04 November 2010** if an Authority decision is reached by 24 September 2010; or the **Next Available Release** if a decision is made after 24 September 2010.
Do you agree?

The Group invites you to give your views using the response form in Attachment C



What are the applicable BSC Objectives?

(a) The efficient discharge by the Transmission Company of the obligations imposed upon it by the Transmission Licence

(b) The efficient, economic and co-ordinated operation of the national electricity transmission system

(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

(d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements

Incentives vs. Efficiency concerning the HH query deadline

When the group discussed the Proposed and potential alternative solutions against the Applicable Objectives there were some contrasting comments about incentives vs. efficiency.

The Group noted that many of the SVA HH errors discovered (during site visits of during Change of Supplier / Change of Agent processes) are long-standing issues.

The majority of Group members supporting the Proposed P256 solution believed that it was more effective to align the SVA HH and NHH deadlines so as to allow more settlement data to be corrected in a Dispute. This would improve the accuracy of Settlement and result in a more efficient Disputes process that was less encumbered by previously resolved Queries and claims for exceptional circumstances.

A minority of Group members supporting the potential alternative P256 solution placed greater weight on the incentives created by the existing SVA HH Query Deadline. They observed that this deadline encourages Parties to identify and correct error in a timely manner (i.e within the normal course of Settlement) without seeking recourse to Post Final Settlement Runs or Extra Settlement Determinations.

Applicable Objectives

The Group's initial **majority** view is that P256 Proposed is better than the current baseline and will better facilitate the achievement of **Applicable BSC Objective (d)** and to a lesser extent **(c)**.

A minority of the Group believe that the potential alternative solution was better than the current Baseline and better than the Proposed. The Groups views against the Proposed and potential alternative solutions are provided below.

P256 Proposed Modification

The Group's views against the **Applicable BSC Objectives (d)** are as follows:

Applicable Objective (d)	
Benefits	Disadvantages
<p>Expanding the remit of the TDC around Rectification decisions will increase the efficiency of the overall process by:</p> <ul style="list-style-type: none"> removing the need for the TDC to make a recommendation to the BSC Panel regarding rectification, therefore providing more immediate answers to the Raising Party and allowing it and its Agents more time to submit replacement data into Settlement; and creating a referral mechanism for decisions on rectification approach, providing for a second view to be taken rather than the only recourse being to submit the matter to judicial review. <p>Allowing the TDC to amend Trading Dispute End Dates will increase the efficiency of the overall process by allowing more settlement data to be corrected in a single Trading</p>	<p>Extending SVA HH Query Deadline would remove the incentive it creates to correct error in a timely manner and may lead to more errors remaining to be resolved after RF, reducing the efficiency of Settlement overall.</p>

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Applicable Objective (d)	
Benefits	Disadvantages
<p>Dispute, rather than having to administer multiple Disputes.</p> <p>Changing the SVA Half Hourly (HH) Query Deadline and removing the concept of Precautionary Trading Queries will increase the efficiency of the overall process by:</p> <ul style="list-style-type: none"> eliminating the need for Parties to assess whether to raise a Trading Query should they feel that an identified error will not be resolved by the RF Run; eliminating the work involved in ELEXON and the TDC considering errors that have been rectified within the normal course of Settlement; and reducing the need for Parties, ELEXON and the TDC to investigate and consider and claims for exceptional circumstances. <p>Clarifying the definition of 'settlement error', amending the Query Deadline and removing the concept of Precautionary Trading Queries will increase the efficiency of the overall process by encouraging Parties to participate in an a Trading Disputes process which is easier to understand and use, so increasing the accuracy of Settlement.</p>	

Two members of the Modification Group believed there was some benefit against

Applicable BSC Objective (c):

Applicable Objective (c)	
Benefits	Disadvantages
<p>Changing the SVA Half Hourly (HH) Query Deadline and removing the concept of Precautionary Trading Queries will support effective competition by providing all Parties with a greater window of opportunity to identify errors and raise Trading Queries/Disputes, therefore allowing more settlement errors to be corrected, improving the accuracy of Settlement.</p>	None identified

Question 4

The Groups initial majority view is that it believes that P256 Proposed will better facilitate the achievement of Applicable BSC Objective (d) and to a lesser extent (c) when compare to the existing BSC requirements.

Do you agree?

The Group invites you to give you views using the response form in Attachment C

P256 Potential Alternative Modification

The identified benefits for the potential alternative solution below are the same as the Proposed solution above, with the exception of the points raised about keeping the SVAA HH Query Deadline unchanged.

Applicable Objective (d)	
Benefits	Disadvantages
<ul style="list-style-type: none">Expanding the remit of the TDC around Rectification decisions, allowing the TDC to amend Trading Dispute End Dates, clarifying the definition of 'settlement error', and removing the concept of Precautionary Trading Queries will increase the efficiency of the overall process in the same way as the Proposed P256 solution.By not changing the SVA HH deadline, the existing incentive to correct errors in a timely manner is preserved and the overall efficiency of Settlement is undiminished.	None identified

Two members of the Modification Group believed there was some benefit against

Applicable BSC Objective (c):

Applicable Objective (c)	
Benefits	Disadvantages
Not changing the SVA Half Hourly (HH) Query Deadline will support effective competition by preserving those limitations that reduce the opportunity for large periods of historic data to be changed well after the RF Run. This allows Parties to manage their liabilities by limiting their exposure to uncertainty regarding the Settlement of Trading Charges after RF has passed.	None identified

Question 5

Would the potential alternative Modification help to deliver the Applicable BSC Objectives compare to the current Baseline?

The Group invites you to give your views using the response form in Attachment C

Question 6

Would the potential alternative Modification help to deliver the Applicable BSC Objectives compared to the Proposed Modification?

The Group invites you to give your views using the response form in Attachment C

8 Further Information

More information is available in:

Attachment **A**: Detailed Assessment.

This information includes:

- Background information on the Trading Disputes process and review;
- The Modification Group's Terms of reference and how each has been completed;
- The Modification Group discussions on the Proposed and potential alternative Solutions;
- Modification Group membership; and
- Process followed for P256.

Attachment **B**: Proposed Legal Text

Attachment **C**: Consultation Questions

Please use this form to submit your consultation response. The Group invites you to give views on each of the questions in this form.