

NETA Change Form		ELEXON Reference
		<i>P142AS</i>
Title		Version No.
Minor refinement to allow a Level 2 Default Cure Period in defined circumstances		version, 3.0
		EPFAL Reference
		P142/Credit
Type of Assessment	Date CP Received	Date IA Issued
DLIA / Quotation	6/10/03	29 October 2003
Brief Summary of Change		
<p>P142 proposes to allow Parties whose Credit Cover Percentage (CCP) breaches 90% outside normal business hours (but remains below 100%) to qualify for a 2 hour window to post additional funds upon recommencing the next Business Day, before Credit Default and Credit Rejection occurs.</p>		
LogicaCMG EPFAL's Proposed Solution		
<p>The FAA would prefer option 3 in the DLIA, with an hour checking and processing time in this case, being sufficient. The minimum timescale of 5 minutes checking and processing time (as prescribed in options 1 and 2) are not ideally sufficient and cannot be guaranteed for thorough authorisation of an increase in Credit Cover being received, as (especially) Letter of Credit amendments must be fully checked before being authorised.</p> <p>The FAA is constrained by the processing time of the payment, between the BSC Party's bank and the BSC preferred banker along with the accurate notification from the BSC preferred banker to the FAA, that funds have been received.</p> <p>The CHAPS payment system is only a guaranteed same-day payment and the responsibility is between the BSC Party and their bank, to try to ensure that payment is cleared as soon as possible (i.e. within a few hours) from the BSC Party's bank and the BSC's preferred banker. Providing the funds have cleared into the BSC preferred bank, notification to the ECVAA will be within the timescales specified in each of the 3 options (with notes for preference as above).</p> <p>Contractually the FAA is currently only obliged to update Credit positions on the same business day if funds are received prior to 15.00hrs. The proposed change will mean a tighter schedule that the FAA must work to, under a P142 Credit Change.</p>		

Deviation from ELEXON's Solution / Requirements

The FAA Contract will need amending to reflect these P142 updates and accelerated turn-around for these types of changes.

The FAA would also desire notification from the BSCCo of parties who have gone into Level 2 Credit Default- preferably via e-mail and follow-up phone call. It would also be beneficial to receive a call as soon as this occurs i.e. during the weekend so that the FAA is as prepared as possible.

Contact from the BSC party themselves, as to what action they are to take is always helpful in cases of Credit Default, and any changes to Credit Cover generally.

Operational Solution and Impact					
<p>Each option would mean working to a tighter schedule for these types of changes than is currently in operation under the FAA's terms of contract and Service Level Agreement. The FAA will take a greater level of responsibility and risk.</p>					
Testing Strategy					
Unit		Change Specific		End to End	
Module		Operational Acceptance	√	Participant Testing	
System		Performance		Parallel Running	
Regression		Volume		Deployment/ Blackout	
Other:					
N/A					
Validated Assumptions					
N/A					
Outstanding Issues					
N/A					

Changes to Service			
Services Impacted			
	Funds Transfer System	Other 1	Other 2
Software			
IDD Part 1	√		
IDD Part 2			
URS			
SS			
DS			
OSM			
RTP	N/A		
Comms	N/A		
Other	N/A		
Nature of Documentation Changes			
<p>Any change to the existing service would require an amendment to the FAA Contract, Part 1 of the IDD as well as the Service Description.</p>			
Nature / Size of System Changes			
<p>N/A</p>			
Type of Release Costed:	N/A		
Deployment Issues, eg Outage Requirements:	N/A		
Impact on Service Levels:	Tighter schedule i.e. 2 hour window and possible 5 minute minimum turnaround		
Impact on System Performance:	none		

Responsibilities of ELEXON

Confirmation of agreed proposal adopted.

Notification from Elexon (once proposal adopted) of BSC Parties going into the proposed Level 2 Credit default window, and possibly of BSC Parties going into Level 1 Credit default, as a means of monitoring the likelihood of those about to enter Level 2 Default.

Relevant communication between Elexon and the BSC Party, when Level 2 Credit default does occur, to make sure that the BSC Party opens communications between themselves and the FAA, to allow the FAA to expect funds and/or a Letter of Credit increase.

Acceptance Criteria

Acceptance criteria to be determined once a level 2 breach occurs

Any Other Information

Please see attached document, for an outline of processes.

Attachments

FAA Credit Cover procedures: P142 proposals

PRICING		
Price Breakdown		
Item description	Remarks	Price (ex VAT)
Change Specific Cost	Review and implementation	£2,000.00
Project Overhead	N/A	N/A
Total Price		£2,000.00
Project Duration		N/A
Operational Price (eg per annum or event)		£12,500.00 for the first 40 (forty) P142 Credit changes and ½ man-day per change above 40 changes (per annum).
Rationale		
<p>P142 will increase the responsibility, turn-around time and risk that is placed on the FAA, and more specifically the FAA Credit Team. The likelihood of there being a big number of these changes is low, however there is still the possibility of these changes occurring and the FAA needs to accept this responsibility.</p>		
Annual Maintenance Price		
Rationale		
N/A		
Validity Constraints		
N/A		
Authorised Signature		Date Signed