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SECTION D: BSC COST RECOVERY AND PARTICIPATION CHARGES (V18.0)

1. GENERAL

1.2 Funding Shares

Amend paragraph 1.2.1 to read as follows:

1.2.1 For the purposes of the Code, in relation to a month:

(a) the "**Main Funding Share**" (FSM_{pm}) of a Trading Party is the proportion determined in accordance with Part 1 of Annex D-1;

(b) ~~the "**SVA (Consumption) Funding Share**" ($FSCS_{pm}$) of a Trading Party which is a Supplier is the proportion determined in accordance with Part 2 of Annex D-1~~not used;

(c) the "**SVA (Production) Funding Share**" ($FSPS_{pm}$) of a Trading Party is the proportion determined in accordance with Part 3 of Annex D-1;

(d) subject to paragraph 1.2.2, the "**General Funding Share**" of a Trading Party is the proportion determined in accordance with Part 4 of Annex D-1;

(e) subject to paragraphs 1.2.2, 1.2.3 and 1.2.4, the "**Annual Funding Share**" of a Trading Party is the sum of its General Funding Shares for the 12 consecutive months ending with and including that month, divided by the sum for all Trading Parties of their General Funding Shares for such 12 months;

(f) "**Funding Shares**" means Main Funding Shares, ~~SVA (Consumption) Funding Shares,~~ SVA (Production) Funding Shares, General Funding Shares, Annual Funding Shares and (where applicable in accordance with paragraph 1.3) Default Funding Shares.

1.4 Determination of Funding Shares

Amend paragraph 1.4.1 to read as follows:

1.4.1 BSCCo will:

(a) determine periodically in accordance with paragraph 4 each Trading Party's Main Funding Share, ~~SVA (Consumption) Funding Share,~~ SVA (Production) Funding Share and General Funding Share, Annual Funding Share and (where applicable) Default Funding Share for each month; and

(b) notify all such Funding Shares to all Trading Parties in the statement provided under paragraph 4.5.1(b).

4. RECOVERY OF NET ANNUAL COSTS

Amend paragraph 4.1 to read as follows:

4.1 Net Annual BSC Costs

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For each BSC Year:

(a) "**Annual Net Main Costs**" is the amount of the Annual BSC Costs, less:

(i) all amounts payable by Parties by way of Main Specified Charges, SVA Specified Charges and specified NETA Funding Charges;

(ii) all amounts payable to BSCCo by any BSC Agent or Market Index Data Provider by way of credit, damages or liquidated damages or otherwise (unless deducted from amounts payable to such BSC Agent or Market Index Data Provider before the latter amounts were counted as BSC Costs), other than amounts falling within paragraph (b)(ii);

(iii) the amount of the Annual Production-Charging SVA Costs ~~Annual SVA Costs (or if greater, the aggregate amount paid by Trading Parties by way of SVA Specified Charges)~~;

(iv) any amount recovered by BSCCo from any insurer;

(v) any amounts paid to BSCCo by way of fees pursuant to Section Q7.2.3;

(vi) ~~any amounts paid to BSCCo by way of fee pursuant to Section Q7.2.3~~not used;

(vii) all amounts otherwise paid to BSCCo (other than as trustee) by any person (including any Party, pursuant to any indemnity given by the Party to BSCCo under the Code, or otherwise);

(b) "**Annual SVA (Consumption) Costs**" is one-half of the amount of the Annual SVA Costs less all amounts payable to BSCCo by any of the BSC Agents referred to in Annex D-2, by way of credit, damages or liquidated damages or otherwise (unless deducted from amounts payable to such BSC Agent before the latter amounts were counted as BSC Costs), in respect of services referred to in Annex D-2.~~"**Annual Consumption-Charging Net SVA Costs**" is one-half of the amount of the Annual SVA Costs, less:~~

~~(i) all amounts payable by Trading Parties by way of SVA Specified Charges;~~

~~(ii) all amounts payable to BSCCo by any of the BSC Agents referred to in Annex D-2, by way of credit, damages or liquidated damages or otherwise (unless deducted from amounts payable to such BSC Agent before the latter amounts were counted as BSC Costs), in respect of services referred to in Annex D-2~~;

(c) "**Annual Production-Charging SVA Costs**" is one-half of the amount of the Annual SVA Costs;

(d) subject to paragraph 4.3.8:

(i) "**Monthly Net Main Costs**" ($MNMC_m$) is 1/12 of Annual Net Main Costs;

(ii) ~~"**Monthly Consumption-Charging Net SVA Costs**" ($MCNSC_m$) is 1/12 of Annual Consumption-Charging Net SVA Costs~~not used;

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(iii) "**Monthly Production-Charging SVA Costs**" ($MPSC_m$) is 1/12 of Annual Production-Charging SVA Costs;

(e) "**Monthly Default Costs**" (MDC_m) is 1/12 of Annual Default Costs.

4.2 Liability in Funding Shares

Amend paragraph 4.2 to read as follows:

4.2.1 For each month in any BSC Year, each Trading Party shall be liable to BSCCo for:

(a) its Main Funding Share for that month of the Monthly Net Main Costs;

(b) ~~its SVA (Consumption) Funding Share for that month of the Monthly Consumption-Charging Net SVA Costs~~not used;

(c) its SVA (Production) Funding Share for that month of the Monthly Production-Charging SVA Costs;

(d) its Default Funding Share of the Monthly Default Costs.

4.3 Invoicing, estimation and reconciliation

Amend paragraph 4.3.1 to read as follows:

4.3.1 In relation to each month (the "**invoice month**") of each BSC Year, BSCCo shall determine:

(a) the amounts of:

(i) Monthly Net Main Costs,

(ii) Monthly Consumption-Charging Net SVA Costs,

(iii) Monthly Production-Charging SVA Costs,

(iv) Monthly Default Costs (if any)

for the invoice month and each preceding month in that year, consistent with the prevailing Annual Budget, and based on its prevailing estimate of Annual Net Main Costs, ~~Annual Consumption-Charging Net SVA Costs,~~ Annual Production-Charging SVA Costs and Annual Default Costs for the year;

(b) for each Trading Party, in relation to the invoice month and each preceding month in that BSC Year:

(i) the Main Funding Shares, ~~SVA (Consumption) Funding Shares,~~ SVA (Production) Funding Shares and (where applicable) Default Funding Shares of such Party; and

(ii) the amounts for which such Party is liable by way of Specified Charges;

(c) for each Trading Party:

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(i) on the basis of paragraphs (a) and (b), the aggregate amounts for which such Party is liable in such BSC Year, up to and including the invoice month, by way of BSCCo Charges;

(ii) the aggregate amount (if any) already paid or payable by each Party by way of BSCCo Charges in such BSC Year, up to and including the month preceding the invoice month;

(iii) the amount of the difference (whether positive or negative) between the amounts in paragraphs (i) and (ii).

ANNEX D-1: FUNDING SHARES

Amend Annex D-1 Part 2 to read as follows:

Part 2 – Not Used~~SVA (Consumption) Funding Shares~~

~~A Supplier's SVA (Consumption) Funding Share ($FSCS_{pm}$) in relation to a month (month 'm') reflects its proportionate share of aggregate non-half hourly consumption for that month and shall be determined as follows:~~

$$\cancel{FSCS_{pm} = {}^{pm}\Sigma_{ZHj} NHHSDT_{HZj} \ / \ \Sigma_p {}^{pm}\Sigma_{ZHj} NHHSDT_{HZj}}$$

~~where:~~

~~${}^{pm}\Sigma_{ZHj}$ represents the sum over all Settlement Periods j in Month m, and over values of $NHHSDT_{HZj}$ relevant to Party p (where a value of $NHHSDT_{H'Z'j}$ is relevant to Party p' if Party p' is the same as Supplier Z');~~

~~Σ_p represents the sum over all Trading Parties p.~~

Part 4 – General Funding Shares

Amend Paragraph 1 of *Annex D-1 Part 4 to read as follows:*

1. General funding shares

A Trading Party's General Funding Share (FSG_{pm}) in relation to a month (month 'm') reflects its proportionate share of the aggregate of certain BSCCo Charges for that month shall be determined as follows:

$$FSG_{pm} = \{TSC_{pm} + (MNMC_m * FSM_{pm}) + \cancel{(MCNSC_m * FSCS_{pm}) +} (MPSC_m * FSPS_{pm})\} \ / \ \Sigma_p \{TSC_{pm} + (MNMC_m * FSM_{pm}) + \cancel{(MCNSC_m * FSCS_{pm}) +} (MPSC_m * FSPS_{pm})\}$$

where

TSC_{pm} = Total Specified BSC Charges for Trading Party p relating to month m

$MNMC_m$ = Monthly Net Main Costs relating to month m

FSM_{pm} = Main Funding Share for Trading Party p relating to month m

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~~$MCNSC_m$ = Monthly Consumption-Charging Net SVA Costs relating to month m~~

~~$FSCS_{pm}$ = SVA (Consumption) Funding Share for Trading Party p relating to month m~~

$MPSC_m$ = Monthly Production-Charging SVA Costs relating to month m

$FSPS_{pm}$ = SVA (Production) Funding Share for Trading Party p relating to month m

Σ_p = the sum over all Trading Parties p

ANNEX D-3: SPECIFIED BSC CHARGES

Amend Paragraph 4 of Annex d-3 to read as follows:

4. SVA Specified Charges

4.1 The SVA Specified Charge payable by each Supplier in order to recover Annual SVA (Consumption) Costs is an ~~Half Hourly~~ SVA Metering System Monthly Charge, for each ~~Half Hourly~~ SVA Metering System for which a Supplier is Registrant ~~for all or any part of~~ on the first day of that month, at a charge rate as determined and notified to Parties by the Panel by publication on the BSC Website.

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ANNEX D-4: DETERMINATION OF MONTHLY BSCCO CHARGES

Amend Annex D-4 to read as follows:

1. Invoicing within year

1.1 For the purposes of Section D4.3.7, the monthly payment (P_{pm}) for each Trading Party p for month m is determined as follows:

$$
\begin{aligned}
P_{pm} = \; & \Sigma_m (TSC_{pm}) \\
& + \Sigma_m (MNMC_m) \; * \; \Sigma_m (FSM_{pm}) \; / \; \Sigma_m (1) \\
& \cancel{+ \Sigma_m (MCNSC_m) \; * \; \Sigma_m (FSCS_{pm}) \; / \; \Sigma_m (1)} \\
& + \Sigma_m (MPSC_m) \; * \; \Sigma_m (FSPS_{pm}) \; / \; \Sigma_m (1) \\
& + \Sigma_m (MDC_m) \; * \; \Sigma_m (FSD_{pm}) \; / \; \Sigma_m (1) \\
& - \Sigma_{m-1} (P_{pm})
\end{aligned}
$$

where:

TSC_{pm} = the aggregate amount payable by a Trading Party by way of Specified BSC Charges in respect of month m;

$MNMC_m$ = Monthly Net Main Costs relating to month m

FSM_{pm} = Main Funding Share for Trading Party p relating to month m

~~$MCNSC_m$ = Monthly Consumption-Charging Net SVA Costs relating to month m~~

~~$FSCS_{pm}$ = SVA (Consumption) Funding Share for Trading Party p relating to month m~~

$MPSC_m$ = Monthly Production-Charging SVA Costs relating to month m

$FSPS_{pm}$ = SVA (Production) Funding Share for Trading Party p relating to month m

MDC_m = Monthly Default Costs relating to month m

FSD_{pm} = Default Funding Share for Trading Party p relating to month m

Σ_m = the sum over all of the months of the BSC Year up to and including month m;

Σ_{m-1} = the sum over all of the months of the BSC Year up to and including the month preceding month m;

$\Sigma_m(1)$ = the number of months of the BSC Year up to and including month m;

1.2 In accordance with Section D4.3 the data used for the calculation will be estimated data where actual data is not available; and values of monthly BSC Costs (of different types) will be determined in accordance with Section D4.3.8 where that paragraph applies.

2. Reconciliation

2.1 For the purposes of the reconciliation pursuant to Section D4.4 the amount (P_p) payable by each Trading Party p by way of final reconciliation and adjustment is determined as follows:

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$$
\begin{aligned}
P_p \quad = \quad & \Sigma_m (TSC_{pm}) \\
& +\Sigma_m (MNMC_m) \ * \ \Sigma_m (FSM_{pm}) \ / \ 12 \\
& \cancel{+\Sigma_m (MCNSC_m) \ * \ \Sigma_m (FSCS_{pm}) \ / \ 12} \\
& +\Sigma_m (MPSC_m) \ * \ \Sigma_m (FSPS_{pm}) \ / \ 12 \\
& +\Sigma_m (MDC_m) \ * \ \Sigma_m (FSD_{pm}) \ / \ 12 \\
& -\Sigma_m (P_{pm})
\end{aligned}
$$

where

Σ_m = the sum over all of the months of the BSC Year

all other terms have the meanings in paragraph 1.

2.2 In accordance with Section D4.4.2 the data used for the calculation will be actual data (unless not then available); and Section D4.3.8 shall not apply in relation to the determination of values of monthly BSC Costs (of different types).

ANNEX X-1: GENERAL GLOSSARY (V74.0)

Amend Table X-1 by inserting the following definitions in alphabetical order:

"**Annual SVA (Consumption) Costs**":	has the meaning given to that term in Section D4.1(b);

ANNEX X-2: TECHNICAL GLOSSARY (V37.0)

Table X–2

Terms and Expressions Applying Except in Relation to Section S

Amend Table X-2 by deleting the following definitions to read as follows:

~~SVA (Consumption) Funding Share~~	~~$FSCS_{pm}$~~		~~Has the meaning given to that term in Section D1.2.1(b).~~ ~~*In relation to a month m, the SVA (Consumption) Funding Share represents a Party's proportionate share of the aggregate non-half hourly consumption for that month.*~~

Table X-3

Glossary of Acronyms Applying Except In Relation To Section S

Amend Table X-2 by deleting the following acronyms to read as follows:

~~$FSCS_{pm}$~~		~~SVA (Consumption) Funding Share~~
~~$MCNSC_m$~~	~~£~~	~~Monthly Consumption Charging Net SVA Costs~~

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