

# TRADING DISPUTE DA618 – CASE SUMMARY

---

## Background

Trading Dispute DA618 ('The Dispute') was raised because of the failure to remove the effects of a Metered Volume Reallocation Notification (MVRN) caused by a delay in submitting a Volume Notification Nullification Request (VNRR) form. This delay resulted in large Imbalance charges affecting multiple BSC Parties between Settlement Period 1 on 5 June 2013 and Settlement Period 29 on 24 June 2013.

The Trading Disputes Committee (TDC) considered the Dispute on 5 September 2013 and concluded that no Settlement Error had occurred. Following this determination, under the provisions of Section W of the BSC, the Dispute was referred to the BSC Panel by a BSC Party on the basis that a Settlement Error had occurred.

The BSC Panel met on 20 March 2014 to consider the Dispute.

The BSC Panel noted that the TDC had previously confirmed that the Dispute had met both the timeliness and materiality requirements established under the BSC and these elements of the claim had not been called into question. The BSC Panel therefore limited its deliberations to the matter of whether a Settlement Error had occurred.

The BSC Panel heard oral representations from the Trading Disputes Secretariat and representatives of the Referring Party and considered both the evidence that was provided to the TDC and additional analysis subsequently provided by ELEXON.

## Findings

After careful consideration, the BSC Panel concluded that a Settlement Error had occurred.

In reaching this unanimous conclusion the BSC Panel noted that:

- a) Section 3.5.2 of BSCP71 'Submission of ECVNs and MVRNs' requires that the Energy Contract Volume Aggregation Agent (ECVAA) 'checks the details on the termination form are correct'. If these details are not correct, Section 3.5.4 of BSCP71 instructs the ECVAA to reject the termination request and to use and ECVAA-I008 information flow to notify the raising party of the reasons for rejection via e-mail or fax.
- b) The termination form (form BSCP71/04) contains a request to indicate (via deletion as applicable) whether there is a Nullification request associated with the termination. This section of the form was not completed.
- c) An incomplete form cannot be construed to be correct and so the form should have been rejected under the provisions of BSCP71 and the raising party should have been informed that the reasons for rejection included the failure to confirm whether there was a Nullification request associated with the termination.
- d) If the termination form (form BSCP71/04) had been rejected and the party notified of the reason as outlined above, and given the clear intent of the Party involved, it is not conceivable that a reasonable person would have failed to investigate the meaning of and need for a Nullification and, in doing so, would have completed the required Nullification process and documentation required under Section 3.11 of BSCP71.
- e) Submission of an appropriate Nullification request with the termination form would have impacted data used for Settlement by removing the effects of the re-allocation of metered volumes and would have avoided the large Imbalance charges incurred as a result of the delay between the termination and the nullification processes.

## Rectification

In accordance with paragraph 14.1 of its established process, having determined that a Settlement Error had occurred, the BSC Panel determined that the matter be remitted to the TDC in accordance with BSC Section

## TRADING DISPUTE DA618 – CASE SUMMARY

---

W4.1.1A, for the TDC to decide what changes in data, processes or the application of the rules were appropriate to correct the Settlement Error and determine the materiality of the error in accordance with Sections W3.4.3(b)(ii) & W3.4.3(b)(iii) and any relevant determination under Section W4.1.1.

At its meeting on 01 May 2014, the TDC determined to correct the error and instructed the ECVAA to retrospectively apply the Nullification request for the disputed period between 5 June 2013 and 24 June 2013 such that the corrections to Settlement Data be processed in the Final Reconciliation (RF) Run for the affected dates.