**P402 podcast transcript**

Hi everyone, my name is Ivar Macsween and I’m the lead analyst for BSC Modification P402 ‘Enabling reform of residual network charging as directed by the Targeted Charging Review’

I’ll be providing a brief description of the issue and solution for this Mod, as we issue it for industry consultation

Following the conclusion of its [Targeted Charging Review](https://www.ofgem.gov.uk/electricity/transmission-networks/charging/targeted-charging-review-significant-code-review) Significant Code Review, Ofgem directed the NETSO and certain LDSOs to make changes to how residual revenues are recovered through Distribution Use of System (DUoS) and Transmission Network Use of System (TNUoS) demand charges.

The BSC currently provides aggregated Metered Data and Metering System counts that the NETSO and LDSOs use to calculate these charges, as well as Balancing Services Use of System (BSUoS) charges.

In order to maintain the BSC’s existing role in providing data to NETSO, the Proposer believes the BSC offer a centralised and transparent route to the provision of data that enables NETSO to set and recover TNUoS demand residual charges.

P402 will introduce new reporting requirements on LDSOs and BSCCo to ensure that National Grid receives the data it requires.

The Modification would introduces processes that require the provision, consolidation and validation of three types of data to NETSO, the creation of two new reports to NETSO and an update to the P0210 ‘TNUoS Report’.

The new Tariff Setting Reports and Billing Reports will be compiled following these overall steps:

1. LDSOs will compile and send Half Hourly reports to BSCCo, who will extract NHH data from existing Settlement data;
2. BSCCo consolidates each LDSO’s report along with the NHH Settlement data into a single report and provide this to NETSO

Additionally, P402 will introduce requirements for providing, maintaining and publishing LLFCS that are mapped to Residual Charging Band

P402 needs to be implemented in time to meet the Implementation Date of NETSO’s Direction, which is **1 April 2022**. The Workgroup therefore recommend P402 is implemented in the first scheduled BSC Release before this date, which is on 24 February 2022.

In addition to the standard consultation questions, the Workgroup are seeking your views

Whether Billing and Tariff Setting Reports should be published on the Elexon Portal. Should input billing data also be published alongside output reports, are either of these commercially sensitive?

As well as checking the approach for P402’s treatment of NHH MSIDs and data retention.

The consultation is live and scheduled to close of 5pm on Tuesday 27 October, we look forward to hearing from you.

Thanks,