Balancing and Settlement Code

BSC PROCEDURE

BSCPXXXX

Supplier Charges for MHHS Metering Systems

Version 0.3

Date: DD MM YY

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BSCP536 relating to SUPPLIER CHARGES

1. Reference is made to the Balancing and Settlement Code, and, in particular, to the definition of "BSC Procedure" in Section X, Annex X-1 thereof.

2. This is BSCPXXX, Version 0.3 relating to Supplier Charges.

3. This BSC Procedure is effective from DD MM YY

4. This BSC Procedure has been approved by the Panel.

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AMENDMENT RECORD

Version	Effective Date	Description of Changes	CRs Included	MODS / Panel Ref
0.3	DD MM YY	MHHS Programme		

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1. Introduction

1.1 Scope of the Procedure

This BSC Procedure (BSCP) defines the process of applying Supplier Charges to Suppliers operating under Supplier Volume Allocation. It describes the key interfaces and timetable responsibilities for Suppliers, SVAA, Performance Assurance Monitoring (PAM), the Performance Assurance Administrator (PAA) and BSC Finance.

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1.2 Risk Based Performance Assurance Framework

Performance Assurance Techniques (PAT)s will be applied to a Performance Assurance Party (PAP) based on the net significance of the applicable Settlement Risk and an assessment of the PAP's contribution to the Settlement Risk.

Settlement Risks and their net significance are captured on the Risk Evaluation Register (RER). All the Settlement Risks identified are rated in terms of severity of impact and probability (including a weighting for the strength of controls).

The Settlement Risks are assigned Performance Assurance Techniques to mitigate those risks and these PATs are recorded in the Risk Operating Plan (ROP) against each Settlement Risk.

The Risk Evaluation Register and the ROP are produced for a Performance Assurance Operating Period in accordance with the Annual Performance Assurance Timetable.

'Supplier Charges' is a Performance Assurance Technique. The menu of Supplier Charges, are detailed in Annex S-1 of the BSC.

1.3 Main Users of the Procedure

This BSC Procedure should be used by Suppliers, the PAA, the Performance Assurance Board (PAB) and BSC Finance. It will also be of general interest to all Trading Parties who will receive Supplier Charges from Suppliers.

1.4 Use of the Procedure

The purpose of this procedure is to enable Suppliers to understand the application of Supplier Charges, their responsibilities with regard to payment of these and the query process available to them.

Throughout this procedure, timetables reflect the number of Working Days following defined events by which an activity should be completed.

1.5 Balancing and Settlement Code Provision

This BSC Procedure has been produced in accordance with the provisions of the Balancing and Settlement Code (BSC), in particular Section S-1. In the event of an inconsistency between the provisions of this BSC Procedure and the Balancing and Settlement Code, the provisions of the Balancing and Settlement Code shall prevail.

1.6 Associated BSC Procedures

This BSC Procedure interfaces with:

BSCPXXX	Performance Assurance Monitoring Data Provision, Reporting and Publication of Peer Comparison Data

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1.7 Acronyms and Definitions

1.7.1 Acronyms

The terms used in this BSC Procedure are defined as follows:

BSC	Balancing and Settlement Code (The "Code")
BSCCo	Balancing and Settlement Code Company
SCs	Supplier Charges
PAA	Performance Assurance Administrator
PAB	Performance Assurance Board
PAP	Performance Assurance Party
PAT	Performance Assurance Technique
PAM	Performance Assurance Monitoring
REM	Risk Evaluation Methodology
RER	Risk Evaluation Register
ROP	Risk Operating Plan
SVAA	Supplier Volume Allocation Agent
WD	Working Day

1.7.2 Definitions

Full definitions of the acronyms in Section 1.7.1 are, where appropriate, included in the Balancing and Settlement Code.

2. Not Used

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3. Interface and Timetable Information

3.1 Application of SCs

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.1.1	Monthly, 26 WD after the last day of the calendar month and following receipt of the Funding Share as per 4.5.3	Calculate SCs and determine the manner in which they should be re-distributed. Produce reports and payment authorisation forms and issue to PAA.	PAM	PAA	Performance data as specified in BSCP533	Email
3.1.2	With output data report as per BSCP533, 3.2.1	Send notification of extenuating circumstances (e.g. claiming Force Majeure against SCs)	Supplier	PAM	Details of extenuating circumstances	BSC Service Desk
3.1.3	PAB Paper Day	Send report to PAB (incorporating information from 3.1.2)	PAA	PAB	Performance data as specified in BSCP533.	Paper
3.1.4	Next PAB meeting	Authorise reports and payment.	PAB	PAA		Paper
3.1.5	2 WD after 3.1.4	Distribute reports & payment authorisation	PAM	Suppliers/ Trading Parties/ BSC Finance		Email
3.1.6	Next BSCCo Bill run	Issue BSCCo Bill, ref. 4.6 for payment rules	BSC Finance	Suppliers/ Trading Parties	Net figure for amount owed/owing	Paper
3.1.7	In line with BSC Co Finance procedures	Make payment	Supplier	BSC Finance	BSCCo Bill	Electronic
3.1.8	In line with BSC Co Finance procedures	Receive funds.	BSC Finance	Suppliers/ Trading Parties	Payment due information	Electronic

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3.2 Raising a Query on SC reports

REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.2.1	Within 10 WD of receipt of report	Raise Queries on SC Reports	Suppliers/ Trading Parties	PAM		BSC Service Desk
3.2.2	Within 1 WD of 3.2.1	Log, check completeness of information and acknowledge Query	PAM	Supplier/ Trading Parties		BSC Service Desk
3.2.3	Within 5 WD of 3.2.2	Assess Query and request additional information where required. If no additional information required, go to 3.2.5	PAM	Supplier/ Trading Parties/ SVAA, as appropriate		BSC Service Desk
3.2.4	Within 4 WD of 3.2.3	Receive Information Request and respond.	Supplier/ Trading Parties/ SVAA	PAM		BSC Service Desk
3.2.5	Within 5 WD of 3.2.4	Receive additional information, if required, analyse Query and notify Supplier of response. If Query resolved, go to 3.2.6. If Query not resolved, go to 3.2.7	PAM	Supplier		BSC Service Desk
3.2.6	Within 5 WD of 3.2.5	For those Queries that have been resolved and action is necessary, either (a) adjust SCs in next month or (b) send revised report to PAB for authorisation (refer to 3.1.1 or 3.1.3).	PAA	(a) BSC Finance (b) PAB		Paper
3.2.7	Within 5 WD of 3.2.5	For those Queries that have not been resolved, request escalation of Query.	Supplier	PAA	Request for escalation and supporting evidence	Paper
3.2.8	PAB Paper Day	Escalate Query and notify Supplier of action taken.	PAA	PAB		Paper (to PAB) Telephone/ E-mail (to Supplier)

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REF	WHEN	ACTION	FROM	TO	INFORMATION REQUIRED	METHOD
3.2.9	Next PAB Meeting	PAB makes decision on escalated Queries and notifies PAA.	PAB	PAA		Paper
3.2.10	Within 1 WD of 3.2.9	PAA notifies Supplier and proceeds to 3.2.6	PAA	Supplier		Paper

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4. Appendices

The information in sections 4.1 – 4.5 is provided for guidance only and details can be found in Annex S-1 of Section S of the Code which takes precedence over this BSCP.

4.1 Supplier Standards Subject to SCs

4.1.1 Supplier Standards are separate to Supplier charges.

4.2 Levels of SCs

The financial value of SCs is determined by what Trading Parties have agreed is "a genuine pre-estimate of the loss likely to be suffered by other Trading Parties". The agreed charges are detailed in paragraph 3 in Annex S-1 of Section S of the Code.

4.3 Collection of Performance Data

4.3.1 Information from SVAA. As detailed in [BSCPXXX], SVAA will submit a performance report to BSCCo 7 working days after the end of the month. This report will contain details of Settlement data provided (the mix of accurate and limited data) and will be used in the calculation of SCs.

Information on GSP Group Take and Supplier Deemed Take (needed for the calculation of the SCs) is provided from SVAA 20 WD after the last calendar day of the month.

4.4 Calculation of SCs

4.4.1 Calculation of SCs is a mechanical process carried out by PAM on the data provided under [BSCPXXX].

4.4.2 Retrospective SCs. SCs will be applied retrospectively within the parameters laid down by Annex S-1 of Section S of the Code. Interest will be due on retrospective SCs at Base Rate from the deemed due payment date.

4.5. Report Authorisation and Distribution

4.5.1 SC Reports and a Payment Instruction will be produced monthly at the monthly batch run of PAM (end of the month + 26 WD, as in accordance with BSCPXXX).

4.5.2 All SC Reports and the Payment Instruction will be submitted to the next PAB meeting for approval. (paragraph 1.4.2 (c) of Section J of the Code).

4.5.3 Once approved, the SC Reports will be distributed to the appropriate Suppliers and Trading Parties. The Payment Instruction will be passed to BSC Finance on the day after the PAB meeting.

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4.6 Invoicing

4.6.1 BSC Finance will incorporate a net figure for Supplier Charges for each Trading Party in its next BSCCo Bill.

4.6.2 Typically, BSCCo Bills are issued monthly and rules for payment are in accordance with Annex S-1 of Section S of the Code.

4.7 Adjustments

4.7.1 Adjustments may be required as a result of the need to apply interest to an earlier months payment or as a result of an error in an earlier months SCs calculation. BSC Finance will record overdue (late) payments and apply interest from date at which payment should have occurred. Adjustments required to payment will be carried out by BSC Finance on the basis of notification provided by the PAA. These will be determined on a case by case basis.

4.7.2 Query resolution adjustments to data will be input manually into PAM, so that the data in the System is correct. Reports will be re-run as necessary.

4.8 Collection and Re-distribution of Funds

4.8.1 Responsibility for collecting funds and adding interest for late payment rests with BSC Finance. A Payment Instruction form will be issued by the PAA to BSC Finance detailing the individual net payments/receipts applicable for each Trading Party– this will form the basis of the item in the BSCCo Bill.

The Payment Instruction form will include in the net figure any adjustments relating to previous months. These adjustments may arise as a result of the need to apply Interest to an earlier months payment or as a result of an error in an earlier months SC calculation.

4.8.2 Interest may be applied in the event that:

(i) A Supplier fails to pay its Supplier Charges on the due date;

(ii) A change is made to an amount due to or from a Supplier or Trading Party as a result of an error being identified and corrected.

4.8.3 For (i) Interest is applied at the Default Interest Rate from the date on which payments were due (which in the case of (i) is the date on which payments of the SC's would have been due had the report been delivered within the required timescales) to the date on which payments are actually made. In the case of (ii), interest is applied at Base Rate.

4.8.4 The PAA is responsible for applying interest in the case of (ii) and incorporating these in the net figure advised to BSC finance in the Payment Instruction. BSC Finance is responsible for applying interest in the case of (i).

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In the event of default, the PAA will be responsible for re-calculating the distribution of funds and will ensure that the revised figures are incorporated in the Payment Instruction to BSC finance.

4.9 Queries

4.9.1 If a Supplier wishes to query their SC Report for a particular month, they must do so within 10 WD of receipt of the SC Report. Receipt of the report is deemed to be 1 WD after electronic submission of reports by PAM.

4.9.2 A Supplier can only raise a query in relation to a GSP Group in which it trades.

4.9.3 All queries will be logged on the PAA Supplier Charges Queries Log.

4.9.4 Queries that cannot be resolved by mutual agreement between the PAA and party/parties concerned within 16 WD of receipt of the query by the BSC Service Desk, will be escalated to the PAB.

4.9.5 In response to a PAB Query resolution, adjustments may be made as per section 4.8, above or the PAB may instruct the PAA to amend and rescale liability or waive payment

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