

THE BALANCING AND SETTLEMENT CODE PANEL

18th August 2000

APPROVAL OF LEVEL OF ACCESSION APPLICATION FEE

This paper seeks Panel approval of the level of application fee to be charged to applicants wishing to accede to the Code.

1. BACKGROUND

Any party wishing to accede to the Code will be required to pay an application fee to ELEXON, to cover the costs of administering the accession process. Section A2.5 of the Code states:

2.5.1 The Panel shall from time to time set the application fee payable by Party Applicants in connection with an application for admission as a party to the Framework Agreement.

2.5.2 The Application Fee shall not exceed the amount which in the Panel's opinion (at the time of setting such fee) represents the reasonable average costs of BSCCo in processing an application for admission as a party to the Framework Agreement.

A Panel resolution is therefore required to set the initial level of the application fee.

2. TIMING

The fee will not apply to the Original Parties to the Code who are required to execute the BSC Framework Agreement at the Code Effective Date, as that Go-Active process will be administered by the NETA Programme. However, other parties may apply to accede to the Code from the Go-Active date and ELEXON will be responsible for processing such applications. An early Panel decision on the applicable application fee is therefore required.

3. LEVEL OF FEE

It is recommended that the application fee be set at an initial level of £500. This figure represents an estimate of the average cost to ELEXON of processing an application, including provision of advice to applicants, validation of party details, preparation and execution of accession agreements and delivery of relevant notices.

ELEXON will keep the level of the fee under review and will advise the Panel if it transpires that the company faces a different level of costs in practice.

4. RESOLUTION

The Panel is invited to consider the following resolution:

It is resolved, in accordance with Section A2.5 of the Code, that the application fee payable by Party Applicants in connection with an application for admission as a party to the Framework Agreement be set at £500.