

TRADING DISPUTES AND AFFECTED PARTIES

Guidance Note

Public

Trading Disputes and Affected Parties

This guidance is for Trading Parties and provides information on affected Parties in the Disputes process – how we identify them and how they fit into the process.

What is an affected Party?

If Settlement data is incorrect and affects one Party financially, it will usually affect other Parties. An affected Party is a BSC Party who we believe is financially impacted by more than £3,000 of Trading Charges (see [BSCP11: Trading Disputes](#)) by a Trading Dispute (Dispute) that it did not raise.

How do affected Parties fit into the Disputes process?

We contact affected Parties to tell them Elexon or the TDC's findings for a Dispute, and to confirm the outcome of the Dispute.

Why do we notify affected Parties?

If a Party raises a Dispute we will work with that Party throughout the process. However, given the effect on their Trading Charges, any affected Parties might want to know the outcome of the Dispute, whether to anticipate the subsequent impact on their Trading Charges or maybe to object to the findings.

How do we identify affected Parties?

The general approach when considering the financial impact of Disputes is to consider how Parties' Trading Charges would change if Settlement Data is corrected.

Our calculations to identify affected Parties are done approximately – they do not replicate all Settlement calculations, but instead consider the most significant aspects.

We estimate the materiality of the Dispute for the directly affected Parties, before we consider how this materiality is distributed across other Parties.

Directly affected Parties

If you are a directly affected Party it means you have a direct interest in the Settlement data under Dispute. Most of the time there is only one such Party, and it is the one who has raised the Dispute. However, there can be more, for example if the Dispute involves an Energy Contract Volume Notification there will be two Parties involved in the trade.

We carry out these calculations when calculating a Dispute's materiality. We look at the most important Trading Charges – normally this is the Imbalance Cashflow but can include others depending on the nature of the Dispute.

The results are indicative - a valid Dispute is one whose materiality exceeds £3,000. If we are confident that this is the case we do not refine our calculations.

Indirectly affected Parties

The nature of Settlement means that changes in Settlement data affect the Trading Charges of Parties who have no direct link to that data. We look at how the net materiality for the directly affected Parties gets shared amongst other Parties – these are the indirectly affected Parties. They can be affected through GSP Group Correction or Residual Cashflows. For each Dispute we consider the effects of one of these mechanisms depending on the nature of the error.

1. GSP Group Correction

If a Supplier's volumes are incorrect, there is an error in Settlement. The error will have been picked up by other Non Half-Hourly (NHH) Suppliers through GSP Group Correction, which adjusts Suppliers' NHH volumes. This ensures that the GSP Group Take is matched by the sum of Supplier volumes (HH and NHH) used for settlement purposes.

Trading Disputes and affected parties

If the Dispute involves Supplier volumes we will consider GSP Group Correction, and redistribute the net materiality for the directly affected Parties amongst NHH Suppliers based on their average share of NHH energy in the GSP Group across the disputed period.

2. Residual Cashflows

After all other Trading Charges are calculated any net surplus or shortfall is addressed through Residual Cashflow Reallocation Cashflow (RCRC). Parties pay or receive money depending upon their Residual Cashflow Reallocation Proportion (RCRP).

If GSP Group Correction is not considered, then we will use Residual Cashflows, and redistribute the net materiality for the directly affected Parties across all Parties based on their average RCRP across the disputed period.

What if you disagree?

Affected Parties are those we estimate to be affected by more than £3,000 of Trading Charges. Given the indicative nature of the calculations it is possible that in some cases we might not identify all affected Parties. We publish all our Dispute decisions on the [BSC Website](#) and if you believe you should be an affected Party and haven't been identified, you can contact us at disputes@elexon.co.uk.

Need more information?

For more information please contact the **BSC Service Desk** at bscservicedesk@cgi.com or call **0370 010 6950**.

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