

## Responses from P187 Assessment Consultation

Consultation Issued 16 May 2005

Representations were received from the following parties

| No  | Company                   | File number | No BSC Parties Represented | No Non-Parties Represented |
|-----|---------------------------|-------------|----------------------------|----------------------------|
| 1.  | National Grid Company     | P187_AR_001 | 1                          | 0                          |
| 2.  | Gaz de France ESS         | P187_AR_002 | 1                          | 0                          |
| 3.  | E.ON UK                   | P187_AR_003 | 15                         | 0                          |
| 4.  | EDF Energy                | P187_AR_004 | 9                          | 0                          |
| 5.  | RWE                       | P187_AR_005 | 10                         | 0                          |
| 6.  | BGT                       | P187_AR_006 | 1                          | 0                          |
| 7.  | Scottish Power            | P187_AR_007 | 6                          | 0                          |
| 8.  | British Energy Group      | P187_AR_008 | 5                          | 0                          |
| 9.  | EDF Trading (*)           | P187_AR_009 | 2                          | 0                          |
| 10. | Scottish and Southern (*) | P187_AR_010 | 7                          | 0                          |

(\*) Late response

Dear Sirs,

This response is sent on behalf of Scottish and Southern Energy, Southern Electric, Scottish Hydro Electric, SSE Generation Ltd., Keadby Generation Ltd., Medway Power Ltd., and SSE Energy Supply Ltd.

In relation to the seven questions contained within your note of 4th May 2005, and the associated Consultation for P187, we have the following comments to make: -

Q1 Do you believe that the Proposed Modification P187 would better facilitate the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s)

Yes.

We do not believe, in particular, that it is appropriate that only certain parties to the BSC have an effective right of 'veto' over whether Modification Proposals should, or should not, be treated as Urgent. In this respect it could be argued that NGT appears not to exercise this power in either a fair, logical or appropriate manner. This is witnessed by the fact that of the 27 occasions when the Authority was asked for its view, it rejected NGT's view (to refuse urgency) on 19 occasions, and agreed with NGT only 8 occasions, implying that NGT and the Authority have different criteria for judging urgency.

Furthermore, we note the detail in Annex 3 that of the 45 requests for Urgency so far circa 40% (18 out of 45) have not even been passed to the Authority (for them to consider the merit, or otherwise, or the granting of Urgent status). Of these five went on to be Approved by the Authority, eight were Rejected, four were Withdrawn and one is Pending. Given that between a quarter and a third of the Modifications (not treated as Urgent, because the Authority was not asked for its view on urgency) were approved, this could imply that the 'delay' (in treating these Modifications as 'normal' instead of 'urgent' as requested by the Proposer) might have had a detrimental effect.

Q2 Do you believe that the Proposed Modification P187 would lead to an increase in the number of urgency requests submitted by Parties? Please give rationale

It maybe the case that more urgent Modification Proposals are submitted in the future. However, if parties have been self constrained from submitting urgent proposals up to now (due to the current arrangements) and, subject to the approval (or otherwise) of urgent status by the Authority this limitation is removed in the future then this should facilitate the achievement of the Applicable BSC Objectives in a more timely manner (by virtue of each Modification Proposal being taken forward on its merits).

Q3 Do you believe that the guidance developed by the Modification Group regarding requests for urgency is appropriate? Please give rationale

Yes.

Limited prescription is necessary because by their nature, urgent situations ought to be unique. Ofgem's own criteria cited as part of their response to P170 are actually very robust.

Q4 If yes, do you agree with the view of the Modification Group that this guidance should be provided within BSCP40 'Change Management'? Please give rationale

Yes.

You shouldn't put subjective guidance in a code(!).

Q5 Do you believe there are any alternative solutions that the

Modification Group has not identified and that should be considered? Please give rationale

No.

Q6 Does P187 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure? Please give rationale

No.

Q7 Are there any further comments on P187 that you wish to make?

Nothing further at this time.

Regards

Garth Graham  
Scottish and Southern plc

Scottish Hydro-Electric, Southern Electric, SWALEC, S+S and SSE  
Power Distribution are trading names of the Scottish and Southern Energy Group.  
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## P187 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties (“Parties”) and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|                                       |   |
|---------------------------------------|---|
| <b>Respondent:</b>                    | <i>Steve Drummond</i>                         |
| <b>No. of Parties Represented</b>     | <i>2</i>                                      |
| <b>Parties Represented</b>            | <i>EDF Trading Ltd &amp; EDF (Generation)</i> |
| <b>No. of Non Parties Represented</b> | <i>None</i>                                   |
| <b>Non Parties represented</b>        | <i>N/A</i>                                    |
| <b>Role of Respondent</b>             | <i>Trader/Generator/ Trader</i>               |

| <b>Q</b> | <b>Question</b>  | <b>Response</b><br>Error! Bookmark not defined. | <b>Rationale</b>   |
|----------|--|---|--|
| 1.       | Do you believe that the Proposed Modification P187 would better facilitate the achievement of the Applicable BSC Objectives?<br>Please give rationale and state objective(s) | Yes   | There is a clear deficiency in the BSC and P187 does address the issue and as such it will better meet Objective ‘c’ on efficiency grounds and Objective ‘d’ on administrative grounds. It will allow, where appropriate, expediency and for the decision to be made by the only body that can properly do so. |
| 2.       | Do you believe that the Proposed Modification P187 would lead to an increase in the number of urgency requests submitted by Parties?<br>Please give rationale                | No  | There is no reason to suppose that there would be an increase in the number of calls for ‘Urgency’. In any event the Party would still have to justify it and it would be judged accordingly.  |
| 3.       | Do you believe that the guidance developed by the Modification Group regarding requests for urgency is appropriate?<br>Please give rationale                                 | Yes   | The proposals are reasonable and sufficiently over-arching. They will allow sufficient scope for the party concerned to justify their reasoning.   |
| 4.       | If yes, do you agree with the view of the Modification Group that this guidance should be provided within BSCP40 ‘Change Management’?<br>Please give rationale               | Yes   | As it is Guidance, it has to be in the BSCP and hence the proposal is reasonable.  |

| Q  | Question  | Response<br>Error! Bookmark not defined. | Rationale |
|----|---|--|-----------|
| 5. | Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?<br>Please give rationale               | No                                       |           |
| 6. | Does P187 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure?<br>Please give rationale | No                                       |           |
| 7. | Are there any further comments on P187 that you wish to make?   | No                                       |           |

Parties are encouraged to provide financial information with regard to either the costs or benefits of the Modification Proposal to support the Assessment Procedure. Where requested this information can be treated as confidential, although all information will be provided to the Authority.

Please send your responses by **12:00 (noon)** on **Monday 16 May 2005** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email '**P187 Assessment Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Modification Group.

Any queries on the content of the consultation pro-forma should be addressed to Kathryn Coffin on 020 7380 4030, email address [kathryn.coffin@elexon.co.uk](mailto:kathryn.coffin@elexon.co.uk).

## P187 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties (“Parties”) and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|                                       |  |
|---------------------------------------|--|
| <b>Respondent:</b>                    | <i>Steven Eyre</i>   |
| <b>No. of Parties Represented</b>     | <i>5</i>   |
| <b>Parties Represented</b>            | <i>British Energy Power &amp; Energy Trading Ltd, British Energy Generation Ltd, Eggborough Power Ltd, British Energy Generation (UK) Ltd, British Energy Direct Ltd</i> |
| <b>No. of Non Parties Represented</b> | <i>-</i>   |
| <b>Non Parties represented</b>        | <i>-</i>   |
| <b>Role of Respondent</b>             | <i>Supplier/Generator/ Trader / Consolidator / Exemptable Generator / Party Agent</i>  |

| <b>Q</b> | <b>Question</b>  | <b>Response</b><br>Error! Bookmark not defined. | <b>Rationale</b>  |
|----------|--|---|---|
| 1.       | Do you believe that the Proposed Modification P187 would better facilitate the achievement of the Applicable BSC Objectives?<br>Please give rationale and state objective(s) | Yes   | On balance it would appear that P187 would better facilitate the applicable BSC objectives. The modification should make the modification process more efficient by firstly allowing parties to request urgent status in a transparent manner and secondly that all such requests receive consistent and equitable treatment. Consequently, P187 is likely to better facilitate Applicable BSC Objective (c) and (d). |
| 2.       | Do you believe that the Proposed Modification P187 would lead to an increase in the number of urgency requests submitted by Parties?<br>Please give rationale                | Yes   | Potentially this modification could lead to an increase in the number of urgency requests considered by the BSC Panel and Ofgem. However, a mandatory requirement to provide a rationale for any urgency request along with the development of guidance on such matters should deter vexatious requests.  |
| 3.       | Do you believe that the guidance developed by the Modification Group regarding requests for urgency is appropriate?<br>Please give rationale                                 | Yes   | Given Ofgem will ultimately decide on all urgency requests, it is entirely appropriate to use as guidance on such matters advice previously provided by the Authority in its decision letters regarding urgency requests.   |

| Q  | Question  | Response<br><small>Error! Bookmark not defined.</small> | Rationale  |
|----|---|---|--|
| 4. | If yes, do you agree with the view of the Modification Group that this guidance should be provided within BSCP40 'Change Management'?<br>Please give rationale          | Yes   | Given that it is <i>guidance</i> the most appropriate place is a suitable BSC subsidiary document as opposed to the BSC itself. Placing the guidance within BSCP40 that already deals with guidance on the completion of the modification proposal form appears sensible.  |
| 5. | Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?<br>Please give rationale               | No  |  |
| 6. | Does P187 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure?<br>Please give rationale | No  |  |
| 7. | Are there any further comments on P187 that you wish to make?   | Yes   | In order to avoid any potential detrimental effect on the efficiency of the modification process we consider that the proposer's request for urgency should not be a mandatory field but in the event that this is completed the supporting rationale should be a mandatory field. It would be efficient if it was assumed that if the field was left blank then the proposer is not seeking urgent status and the mod should proceed accordingly. The incentive should be on the proposer to ensure the form is filled out correctly. The principle behind mandatory fields is that the mod proposal has to be sufficiently described so that it can be fully assessed through the modification procedures. Urgency status does not fall within this principle. |

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|                                       |  |
|---------------------------------------|--|
| <b>Respondent:</b>                    | <i>Name</i> <a href="#">James Kelly (SAIC Ltd)</a>   |
| <b>No. of Parties Represented</b>     | <a href="#">6</a>  |
| <b>Parties Represented</b>            | <i>Please list all Parties responding on behalf of (including the respondent company if relevant).</i><br><a href="#">Scottish Power UK plc; ScottishPower Energy Management Ltd.; ScottishPower Generation Ltd; ScottishPower Energy Retail Ltd.; SP Transmission Ltd; SP Manweb plc.</a> |
| <b>No. of Non Parties Represented</b> | <a href="#">0</a>  |
| <b>Non Parties represented</b>        | <i>Please list all non Parties responding on behalf of (including the respondent company if relevant).</i>   |
| <b>Role of Respondent</b>             | <i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state <sup>1</sup>)</i><br><a href="#">Supplier / Generator / Trader / Consolidator / Exemptable Generator</a>   |

|    |  |                     |  |
|----|--|---------------------|--|
| 1. | Do you believe that the Proposed Modification P187 would better facilitate the achievement of the Applicable BSC Objectives?<br>Please give rationale and state objective(s) | <a href="#">Yes</a> | <a href="#">The Proposed Modification P187 will better facilitate the Applicable BSC Objectives, mainly in terms of objective (d) and to a lesser extent objective (c). The Proposed Modification would lead to a more efficient operation of the balancing and settlement arrangements and would also promote more effective competition.</a>             |
| 2. | Do you believe that the Proposed Modification P187 would lead to an increase in the number of urgency requests submitted by Parties?<br>Please give rationale                | <a href="#">No</a>  | <a href="#">If Parties measure their request against the guidance for an urgent Modification, they will be able to judge whether they have reasonable grounds for an application. Therefore, as the process develops and Parties gain a greater understanding of the ‘urgency’ criteria, the level of applications should remain at the current level.</a> |

<sup>1</sup> Delete as appropriate – please do not use knockout, this is to make it easier to analyse the responses

|    |   |     |   |
|----|---|-----|---|
| 3. | Do you believe that the guidance developed by the Modification Group regarding requests for urgency is appropriate?<br>Please give rationale                            | Yes | It is appropriate to develop guidance with regards to requests that a Modification be treated urgently. This will provide Parties with a basis around which they can construct their application. It is also sensible to have guidance as opposed to strict criteria. Circumstances surrounding urgent requests tend to be fluid; therefore guidance is more applicable than strict criteria which may prove to be inflexible to meet the particular circumstances of an urgent Modification. |
| 4. | If yes, do you agree with the view of the Modification Group that this guidance should be provided within BSCP40 'Change Management'?<br>Please give rationale          | Yes | As BSCP40 is the existing location for guidance on completing a Modification Proposal, this would seem the logical location for to place any guidance on requesting urgent status for a Modification.   |
| 5. | Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?<br>Please give rationale               | No  |   |
| 6. | Does P187 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure?<br>Please give rationale | No  |   |
| 7. | Are there any further comments on P187 that you wish to make?   | No  |   |

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|                                       |                                  |
|---------------------------------------|----------------------------------|
| <b>Respondent:</b>                    | <i>Mark Manley</i>               |
| <b>No. of Parties Represented</b>     |                                  |
| <b>Parties Represented</b>            | <i>British Gas Trading (BGT)</i> |
| <b>No. of Non Parties Represented</b> |                                  |
| <b>Non Parties represented</b>        |                                  |
| <b>Role of Respondent</b>             |                                  |

| <b>Q</b> | <b>Question</b>  | <b>Response</b><br><small>Error! Bookmark not defined.</small> | <b>Rationale</b>   |
|----------|--|--|--|
| 1.       | Do you believe that the Proposed Modification P187 would better facilitate the achievement of the Applicable BSC Objectives?<br>Please give rationale and state objective(s) | Yes  | <p>BGT do not believe the current baseline is consistent with good governance as there are filters that prevent Ofgem from making the final decision on whether to grant a proposal urgent status. Removing those filters will increase the efficiency of the process by introducing a greater level of consistency in terms of decision making and thereby better facilitate Applicable Objective (d). Ofgem will then be able to make the decision on all modification proposals that request urgent status rather than a subset as is true under the current rules.</p> <p>BGT also believe to a lesser extent that P187 will better facilitate competition in the generation and supply of electricity, as it will formalise the ability of Parties to request urgent status. Therefore if an issue that has arisen which could or will have a significant material impact, the process will allow the proposer to provide justification as to why the proposal should be granted urgent status. Allowing Ofgem to consider this request will also ensure that the decision is not made solely against the</p> |

| Q  | Question  | Response<br>Error! Bookmark not defined. | Rationale  |
|----|---|--|--|
|    |   |  | Applicable BSC Objectives, as Ofgem will be able to give the request consideration under its wider remit.  |
| 2. | Do you believe that the Proposed Modification P187 would lead to an increase in the number of urgency requests submitted by Parties?<br>Please give rationale | No                                       | <p>Whilst no Party can say for certain whether P187 will result in an increased number of requests for urgency BGT do not believe approval of P187 will necessarily result in an increasing number of requests for urgency. BGT believe the development of guidance will also help to prevent a large increase in the number of requests for urgency.</p> <p>BGT also note and agree with the views of the modification group that if there is an increase in the number of requests this shouldn't by default be viewed as a negative. Ensuring the decision-making resides with Ofgem will help to deliver the best regulatory process. Consequently this will improve the efficiency of the process.</p>  |
| 3. | Do you believe that the guidance developed by the Modification Group regarding requests for urgency is appropriate?<br>Please give rationale                  | Yes                                      | <p>As the proposer of this modification we suggested there might be merit in developing criteria. The guidance should assist Parties requesting urgent status by giving an indication of the minimum requirement for a request being granted urgent status. The Panel could also use the guidance when considering the request of the proposer and this could provide them with a useful tool for considering the request.</p> <p>The proposed guidance has been developed by the modification group based upon the criteria used historically by Ofgem and to a lesser extent BSCCo in assessing whether a modification proposal should be granted urgent status. The guidance should provide the proposer with an indication of the minimum requirements for requesting urgent status. Consequently this should help to ensure that only modification proposals with a genuine chance of being given urgent status are supported by a request for urgency.</p> |
| 4. | If yes, do you agree with the view of the Modification  | Yes                                      | As the guidance will be guidance and not criteria that must be satisfied   |

| Q  | Question  | Response<br>Error! Bookmark not defined. | Rationale   |
|----|---|--|---|
|    | Group that this guidance should be provided within BSCP40 'Change Management'?<br>Please give rationale   |  | before a proposal can be granted urgent status, BSCP40 is the most appropriate location. Including the guidance in a BSCP also has the benefit of less onerous governance. So, if the guidance needs to be amended or removed a Change Proposal (CP) can be raised and decided upon by a Panel sub-committee without having to raise a modification proposal. |
| 5. | Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?<br>Please give rationale               | No                                       | BGT do not believe there are any valid alternative solutions based upon the ELEXON legal view that was provided.  |
| 6. | Does P187 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure?<br>Please give rationale | No                                       |   |
| 7. | Are there any further comments on P187 that you wish to make?   | Yes                                      | BGT continues to believe there are merits in having a consistency of approach in respect of change management across the various governance codes. As such BGT believe that P187 and CAP087 introduce that level of consistency, which will help to improve the current baseline.   |

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|                                       |  |
|---------------------------------------|--|
| <b>Respondent:</b>                    | <i>Terry Ballard</i>   |
| <b>No. of Parties Represented</b>     | <i>10</i>  |
| <b>Parties Represented</b>            | <i>RWE Trading GmbH; RWE Npower Ltd; Npower Cogen Ltd; Npower Cogen Trading Ltd; Npower Direct Ltd; Npower Ltd; Npower Northern Ltd; Npower Northern Supply Ltd; Npower Yorkshire Ltd; Npower Yorkshire Supply Ltd</i> |
| <b>No. of Non Parties Represented</b> |  |
| <b>Non Parties represented</b>        | <i>Please list all non Parties responding on behalf of (including the respondent company if relevant).</i>   |
| <b>Role of Respondent</b>             | <i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state<sup>1</sup>)</i>   |

| <b>Q</b> | <b>Question</b>  | <b>Response<sup>1</sup></b> | <b>Rationale</b>   |
|----------|--|-----------------------------|--|
| 1.       | Do you believe that the Proposed Modification P187 would better facilitate the achievement of the Applicable BSC Objectives?<br>Please give rationale and state objective(s) | Yes                         | It will further objectives c & d by promoting competition and improving efficiency by formalising the right of the Proposer to request urgency. Scrutiny by Ofgem should ensure consistency.   |
| 2.       | Do you believe that the Proposed Modification P187 would lead to an increase in the number of urgency requests submitted by Parties?<br>Please give rationale                | No                          | By including guidance within BSCP 40 and requiring the Proposer to provide a rationale for the request for urgency, it may result in fewer requests for urgency.   |
| 3.       | Do you believe that the guidance developed by the Modification Group regarding requests for urgency is appropriate?<br>Please give rationale                                 | Yes                         | It provides guidance based on recent experience without being prescriptive.  |
| 4.       | If yes, do you agree with the view of the Modification Group that this guidance should be provided within BSCP40 ‘Change Management’?<br>Please give rationale               | Yes                         | It is guidance rather than definitive criteria. Placing in within the BSCP does not fetter either the Panel or Authority’s discretion, which may be the case if it was contained within the BSC. Placing it within the BSCP allows advice to be developed with experience without the need to raise a Mod. |

<sup>1</sup> Delete as appropriate – please do not use knockout, this is to make it easier to analyse the responses

| Q  | Question  | Response <sup>1</sup> | Rationale |
|----|---|-----------------------|-----------|
| 5. | Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?<br>Please give rationale               | No                    |           |
| 6. | Does P187 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure?<br>Please give rationale | No                    |           |
| 7. | Are there any further comments on P187 that you wish to make?   | No                    |           |

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|                                       |  |
|---------------------------------------|--|
| <b>Respondent:</b>                    | Stephen Moore (EDF Energy)   |
| <b>No. of Parties Represented</b>     | 9  |
| <b>Parties Represented</b>            | EDF Energy Networks (EPN) plc; EDF Energy Networks (LPN) plc<br>EDF Energy Networks (SPN) plc; EDF Energy (Sutton Bridge Power)<br>EDF Energy (Cottam Power) Ltd; EDF Energy (West Burton Power) Ltd; EDF Energy plc; London Energy plc; Seeboard Energy Limited |
| <b>No. of Non Parties Represented</b> | 0  |
| <b>Non Parties represented</b>        | N/A  |
| <b>Role of Respondent</b>             | Supplier/Generator/ Trader   |

| Q  | Question   | Response | Rationale   |
|----|--|----------|---|
| 1. | Do you believe that the Proposed Modification P187 would better facilitate the achievement of the Applicable BSC Objectives?<br>Please give rationale and state objective(s) | Yes      | Allowing the Proposer to request urgency for a modification proposal would improve efficiency thereby better facilitating objective c). As the Authority will still make the final decision as to grant urgency, this proposal will only increase the likelihood that a Proposer's case will be heard by the Authority. |
| 2. | Do you believe that the Proposed Modification P187 would lead to an increase in the number of urgency requests submitted by Parties?<br>Please give rationale                | No       | It is impossible to predict the actions of all BSC parties, but the number of requests for urgency since NETA go live is low and there is no logical reason for this to increase in future.   |
| 3. | Do you believe that the guidance developed by the Modification Group regarding requests for urgency is appropriate?<br>Please give rationale                                 | Yes      | The guidance is succinct but clear which should make it obvious to any potential Proposer whether they do indeed have a genuine case for urgency.   |

| Q  | Question  | Response | Rationale   |
|----|---|----------|---|
| 4. | If yes, do you agree with the view of the Modification Group that this guidance should be provided within BSCP40 'Change Management'?<br>Please give rationale          | Yes      | It is sensible that guidance on urgency should be placed where any Proposer of a modification can easily find it whilst they are drafting the modification. |
| 5. | Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?<br>Please give rationale               | No       |   |
| 6. | Does P187 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure?<br>Please give rationale | No       |   |
| 7. | Are there any further comments on P187 that you wish to make?   | No       |   |

Parties are encouraged to provide financial information with regard to either the costs or benefits of the Modification Proposal to support the Assessment Procedure. Where requested this information can be treated as confidential, although all information will be provided to the Authority.

Please send your responses by **12:00 (noon) on Monday 16 May 2005** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email '**P187 Assessment Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Modification Group.

Any queries on the content of the consultation pro-forma should be addressed to Kathryn Coffin on 020 7380 4030, email address [kathryn.coffin@elexon.co.uk](mailto:kathryn.coffin@elexon.co.uk).

## P187 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties (“Parties”) and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|                                       |   |
|---------------------------------------|---|
| <b>Respondent:</b>                    | <i>E.ON UK</i>  |
| <b>No. of Parties Represented</b>     | <i>15</i>   |
| <b>Parties Represented</b>            | E.ON UK plc, Powergen Retail Limited, Cottam Development Centre Limited, Enizade Ltd, E.ON UK Drakelow Limited, E.ON UK Ironbridge Limited, E.ON UK High Marnham Limited, Midlands Gas Limited, Western Gas Limited, TXU Europe (AHG) Limited, TXU Europe (AH Online) Limited, Citigen (London) Limited, Severn Trent Energy Limited (known as TXU Europe (AHST) Limited), TXU Europe (AHGD) Limited and Ownlabel Energy. |
| <b>No. of Non Parties Represented</b> | -   |
| <b>Non Parties represented</b>        | -   |
| <b>Role of Respondent</b>             | Supplier, Generator, Trader, Consolidator & Exemptable Generator  |

| <b>Q</b> | <b>Question</b>  | <b>Response</b><br>Error! Bookmark not defined. | <b>Rationale</b>   |
|----------|--|---|--|
| 1.       | Do you believe that the Proposed Modification P187 would better facilitate the achievement of the Applicable BSC Objectives?<br>Please give rationale and state objective(s) | Yes   | The proposal would benefit competition by ensuring that all requests for urgency are treated on an equitable basis. We also concur with the Modification Group that P187 will improve the transparency of the urgency process.   |
| 2.       | Do you believe that the Proposed Modification P187 would lead to an increase in the number of urgency requests submitted by Parties?<br>Please give rationale                | Yes / No  | It is difficult to predict the future level of urgency requests as a result of this modification. A historical perspective indicates that there is usually a significant but unforeseen event which necessitates the submission of such requests.<br><br>We note that approximately 25% of modifications have been accompanied by a request for urgent status. We would anticipate a similar proportion of requests going forward. |

| Q  | Question  | Response<br>Error! Bookmark not defined. | Rationale   |
|----|---|--|---|
| 3. | Do you believe that the guidance developed by the Modification Group regarding requests for urgency is appropriate?<br>Please give rationale                            | Yes                                      | We agree with the Modification Group that it would not be appropriate for the Panel to be restricted by a definitive set of urgency criteria. The Panel recommendation should be based upon the merits of each individual request. However, given that each urgency request needs to be considered on a 'case by case' basis, we are unsure as to whether the proposed advice will represent a significant improvement when compared against the current arrangements. If guidance is deemed to be necessary, we are comfortable with the advice developed by the Modification Group. |
| 4. | If yes, do you agree with the view of the Modification Group that this guidance should be provided within BSCP40 'Change Management'?<br>Please give rationale          | Yes                                      | If guidance is to be provided we agree that it should be contained within BSCP40.   |
| 5. | Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?<br>Please give rationale               | No                                       |   |
| 6. | Does P187 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure?<br>Please give rationale | No                                       |   |
| 7. | Are there any further comments on P187 that you wish to make?   | No                                       |   |

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## P187 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties (“Parties”) and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|                                       |                           |
|---------------------------------------|---------------------------|
| <b>Respondent:</b>                    | <i>Phil Broom</i>         |
| <b>No. of Parties Represented</b>     | <i>1</i>                  |
| <b>Parties Represented</b>            | <i>Gaz de France ESS</i>  |
| <b>No. of Non Parties Represented</b> | <i>0</i>                  |
| <b>Non Parties represented</b>        | <i>0</i>                  |
| <b>Role of Respondent</b>             | <i>Supplier/Generator</i> |

| <b>Q</b> | <b>Question</b>  | <b>Response</b><br>Error! Bookmark not defined. | <b>Rationale</b>  |
|----------|--|---|---|
| 1.       | Do you believe that the Proposed Modification P187 would better facilitate the achievement of the Applicable BSC Objectives?<br>Please give rationale and state objective(s) | Yes   | Objectives C and D would be better achieved by the improved transparency and efficiency gains provided via adoption of this modification to the BSC   |
| 2.       | Do you believe that the Proposed Modification P187 would lead to an increase in the number of urgency requests submitted by Parties?<br>Please give rationale                | No  | As the proposer would still have to make a robust case for urgency as at present. This proposal is mainly seeking to improve the transparency of the process by ensuring that the Panel and Ofgem have a role to play in the process rather than any request being rejected without further consideration by BSCCo at the point of submission |
| 3.       | Do you believe that the guidance developed by the Modification Group regarding requests for urgency is appropriate?<br>Please give rationale                                 | Yes   |   |

| Q  | Question  | Response<br><small>Error! Bookmark not defined.</small> | Rationale  |
|----|---|---|--|
| 4. | If yes, do you agree with the view of the Modification Group that this guidance should be provided within BSCP40 'Change Management'?<br>Please give rationale          | Yes   |  |
| 5. | Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?<br>Please give rationale               | No  |  |
| 6. | Does P187 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure?<br>Please give rationale | No  |  |
| 7. | Are there any further comments on P187 that you wish to make?   | Yes   | <p>We assume that Ofgem will be in a position to make a determination on this modification proposal within 5 weeks of receipt of the final report should there be no contentious issues raised. Indeed early indications at the modification group were that this modification had broad support.</p> <p>An early indication regarding the Ofgem decision-making process for this modification, and indeed all those submitted to them, would be welcomed. Transparency against business plan aspirations enables better planning around implementation by all participants.</p> |

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## P187 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

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|                                       |                              |
|---------------------------------------|------------------------------|
| <b>Respondent:</b>                    | <i>Shafqat Ali</i>           |
| <b>No. of Parties Represented</b>     | <i>1</i>                     |
| <b>Parties Represented</b>            | <i>National Grid Company</i> |
| <b>No. of Non Parties Represented</b> | <i>None</i>                  |
| <b>Non Parties represented</b>        | <i>None</i>                  |
| <b>Role of Respondent</b>             | <i>System Operator</i>       |

| <b>Q</b> | <b>Question</b>  | <b>Response</b><br>Error! Bookmark not defined. | <b>Rationale</b>   |
|----------|--|---|--|
| 1.       | Do you believe that the Proposed Modification P187 would better facilitate the achievement of the Applicable BSC Objectives?<br>Please give rationale and state objective(s) | Yes   | The transparency introduced by P187 will enhance industry’s understanding of the BSC governance process with regard to requesting urgency status for a Modification Proposal. Improved process transparency will promote efficiency in the implementation and administration of the Balancing and Settlement arrangements (Applicable BSC Objective (d)), and improved market understanding will promote effective competition in the generation and supply of electricity (Applicable BSC Objective (c)). |
| 2.       | Do you believe that the Proposed Modification P187 would lead to an increase in the number of urgency requests submitted by Parties?<br>Please give rationale                | Yes   | Since the raising Parties would be able to request urgency without a recommendation by BSSCO or the Transmission Company, the number of urgency requests submitted by Parties is likely to increase under P187. However, this increase is likely to be limited because the urgency requests will be required to provide robust justification for such requests.  |

| Q  | Question  | Response<br>Error! Bookmark not defined. | Rationale  |
|----|---|--|--|
| 3. | Do you believe that the guidance developed by the Modification Group regarding requests for urgency is appropriate?<br>Please give rationale                            | Yes                                      | The guidelines on urgency criteria developed by the Modification Group are based on the 'Best Practice Guidance' developed by the Authority who will make the final decision on urgency requests. It is therefore appropriate for the raising Parties to use the same urgency criteria as in the guidelines produced by the Authority.<br><br>NGC acknowledges the inclusion of 'disproportionate' in 'significant disproportionate commercial impact' but considers this insertion superfluous. |
| 4. | If yes, do you agree with the view of the Modification Group that this guidance should be provided within BSCP40 'Change Management'?<br>Please give rationale          | Yes                                      | Since the urgency criteria developed by the Modification Group are only guidelines, it is appropriate for these guidelines to reside in a BSCP rather than in the BSC. Furthermore, it is also appropriate for these guidelines to be in BSCP40 which is concerned with the 'Change Management'.   |
| 5. | Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?<br>Please give rationale               | No                                       | -  |
| 6. | Does P187 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure?<br>Please give rationale | No                                       | -  |
| 7. | Are there any further comments on P187 that you wish to make?   | No                                       | -  |

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