

September 2002

**ASSESSMENT REPORT**

**MODIFICATION PROPOSAL P63 –  
Change Of Contract Management of  
MPAN's For Data Collector, Data  
Aggregator And Meter Operator**

Prepared by the Volume Allocation Modification  
Group on behalf of the Balancing and Settlement  
Code Panel

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<b>Author</b>	ELEXON

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Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
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### c References

Ref.	Document Name	Author	Version	Date
1	Modification Proposal P63 - Change Of Contract Management of MPAN's For Data Collector, Data Aggregator And Meter Operator	British Gas	-	6 January 2002
2	Definition Report for P63	ELEXON	1.0	5 March 2002
3	P63 Interim Report to BSC Panel (44/009)	ELEXON	-	10 May 2002
4	Change Proposal Circular CPC190	ELEXON	-	12 June 2002
5	MC00007 'Detailed Level Impact Assessment of Modification Proposal P63 – 'Change of Contract Management of MPANs for DC, DA & MO'	ELEXON		30 July 2002
6	P63: New BSCP513 'Bulk Change Of NHH Party Agent' and Impact on other Code Subsidiary Documents (SVG/20/250)	ELEXON		3 September 2002
7	MRA CP111 'Provide for volume processing of NHH change of agent id in MPAS to be undertaken using a specific MRA procedure'	ELEXON		2 September 2002
8	MC00011 'DLIA of P63 CSDs & MRA CP111'	ELEXON		4 September 2002
9	CP842 'Revision To Non-Half Historical Data Transfer Requirements'	ELEXON		--
10	Detailed Level Procesess	ELEXON		9 July 2002
11	High Level Requirements Specification for P63	ELEXON		
12	Supplier Volume Allocation Group Paper SVG/20/249	ELEXON		

Copies of the above documents can be found on the BSC Website at [www.elexon.co.uk](http://www.elexon.co.uk)

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## 1 SUMMARY AND RECOMMENDATIONS

### 1.1 Recommendations

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal during the Assessment Procedure, and the resultant findings of this Assessment Report, the Volume Allocation Modification Group (VAMG) recommends that the Balancing and Settlement Code Panel ('the Panel'):

- **NOTE the contents of the P63 Assessment Report and the recommendations of the VAMG;**
- **ENDORSE the recommendation of the VAMG and proceed to the Report Phase in accordance with Section F2.7 of the Code;**
- **AGREE that the draft Modification Report be issued for consultation and submitted to the Panel meeting on 17 October 2002; and**
- **AGREE that the draft Modification Report contain a provisional recommendation that the Proposed Modification P63 should be made with an Implementation Date of 20 Working Days after the Authority decision.**

### 1.2 Background

Modification Proposal P63 'Change Of Contract Management of MPAN's For Data Collector, Data Aggregator And Meter Operator' (P63) seeks to amend the Balancing and Settlement Code ('the Code') to provide support to Suppliers (referring to 'Suppliers' unless otherwise stated) who wish to undertake changes to non-half hourly Party Agent (ie. Meter Operator Agent, Data Collector, Data Aggregator) appointments in respect of large numbers<sup>1</sup> of Metering Systems in a more efficient and timely manner than that currently adopted by the industry.

P63 suggests that under the present arrangements, if a Party wished to change, say 2 million Party Agent appointments, the elapsed time to submit the requests for the transfer of Party Agent appointments would be in excess of six months<sup>2</sup>. P63 further suggests that this restricts Parties' ability to choose more efficient and cost effective providers of Party Agent services and thereby restricts competition in the Supply of electricity.

P63 therefore, sought to introduce an alternative method that would facilitate a change of Party Agent in respect of such large numbers of Metering Systems (referred to as 'bulk change of agent' or 'bulk CoA') in a more efficient manner without the need for such a drawn out process.

At its meeting on 14 March 2002, the Panel received the Definition Report (Reference 2) and endorsed the recommendation of the VAMG that further assessment of P63 was required. The Panel submitted P63 to a 3-month Assessment Procedure and requested that an Interim Report be prepared and presented to the Panel meeting on 16 May 2002. The purpose of this Interim Report was to provide the Panel with an update on the progress of the assessment of P63 and, recognising the considerable effort that may be required to assess P63, seek an extension to

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<sup>1</sup> The P63 Modification Proposal (Reference 1), indicates that "there has been restrictions in the form of maximum daily flows of 20,000 which hamper the industry from changing DC [Data Collector], DA [Data Aggregator] or MO [Meter Operator]".

<sup>2</sup> Based on a perceived industry limit of 20,000 Change of Agent dataflows being submitted by all Parties in each Working Day and assumes that the Party concerned is able to submit this volume of Party Agent Appointments.

the Assessment Procedure timetable if this was deemed to be appropriate. An extension to the timetable was sought within the Interim Report and the Panel agreed that the Assessment Report should be presented to the Panel on 12 September 2002.

### 1.3 Rationale for Recommendations

The VAMG believe that implementation of Proposed Modification P63, as described by the legal drafting contained in Attachment 1, will allow Party's to transfer Party Agent appointments in respect of large numbers of Metering Systems, from one Party Agent to another in a more efficient and cost effective manner. The majority of the VAMG believed that the ability to transfer large numbers of Party Agent appointments, in respect of Metering Systems, from one Party Agent to another and in so doing, ensuring that Parties, Party Agents and Supplier Meter Registration Agents (SMRAs) have plans and resources in place, will allow more cost effective commercial arrangements to be established that do not pose a risk to the quality of data entering Settlement. This process will in turn allow greater competition in the Supply of electricity. The VAMG believe that it was appropriate to mitigate against the risk of Party Agent failure by introducing an obligation for Parties to retain sufficient information to enable them to invoke a Change of Party Agent in the case of Party Agent failure.

The majority of the VAMG felt therefore, that P63 would better facilitate the achievement of the Applicable BSC Objective set out in paragraph 3 of Condition C3 of the Transmission Licence as follows:

- (c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity.

## 2 INTRODUCTION

This Assessment Report has been prepared by ELEXON Ltd., on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code. The BSC is the legal document containing the rules of the Balancing Mechanism and imbalance Settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the Code.

An electronic copy of this document can be found on the BSC Website, at [www.elexon.co.uk](http://www.elexon.co.uk).

## 3 MODIFICATION GROUP DETAILS

This Assessment Report has been prepared by the VAMG. The membership and attendees<sup>3</sup> of the VAMG meetings in respect of P63 is shown in the following tables:

Member	Organisation
Justin Andrews / Peter Davies	ELEXON (Chairman)
Neil Magill	Scottish Power
Paul Jones	Powergen
Paul Chesterman	LE Group
Rob Cullender	British Gas Trading
Andrew Latham	British Gas Trading (Proposer)
Chris Pooley	Campbell Carr
Phil Russell	TXU

<sup>3</sup> It should be noted that not every member/attendee shown attended every meeting of the VAMG

Katherine Bergin	Scottish and Southern
Andrew Neves	East Midlands Electricity
Richard Harrison	Innogy
Clare Talbot	NGC
Ceri Hughes	ELEXON
Richard Clarke	ELEXON

<b>Attendees</b>	<b>Organisation</b>
Patrick Smart	Ofgem attendee
Catharine Monaghan	Ofgem attendee
Andrew Wallace	Ofgem attendee
Jill Ashby	MRASCo
Geoff Cook	MRASCo
Bruce Wyatt	Innogy
James Kelly	SESL
Alec Thompson	LE Group
Karen Lee	St. Clements
Bob Brown	Cornwall Consulting
Lee Eltherington	ECS
Tony Savka	United Utilities
Afroze Miah	Powergen
Mark Firman	Invensys
Jan Devito	St. Clements
Mark Constable	IMServ
Terry Marquand	TXU
Steve Francis	ELEXON
Jon Spence	ELEXON

It should be noted that representatives from Party Agents were invited to attend the meetings of the VAMG.

## **4 DESCRIPTION AND ASSESSMENT AGAINST THE APPLICABLE BSC OBJECTIVES**

### **4.1 The Proposed Modification**

This Section of the Assessment Report describes the extent of the changes to be introduced by P63 from both the perspective of the changes required to the Code to accommodate P63 and from a plain English description of the processes and obligations introduced by P63. A full description of the history of P63 throughout its Assessment Procedure and the discussions that led the VAMG to determine what changes to the Code were necessary are described in full within Section 4.3 of this Assessment Report.

The process by which Party Agent appointments are made in relation to Non-Half Hourly (NHH) Supplier Volume Allocation (SVA) Metering Systems are currently described within Section J4 of the Code and in the relevant Code Subsidiary Documents. P63 was raised to ensure that a bulk CoA could be undertaken in a more efficient manner than currently available. The VAMG discussed several solutions to address the defect identified by the Modification Proposal. Following these discussions the VAMG concluded that extensive changes to the Code, Code Subsidiary Documents or the process undertaken by Parties would not be necessary to facilitate such a change. This is because the VAMG agreed that a bulk CoA could be achieved under the existing provisions within the Code and Code Subsidiary Documents with the addition of a



contractual arrangement between the relevant Party, Party Agents and SMRAs. There may however be a risk to Settlement if this were to be executed in an uncontrolled manner.

The VAMG expressed concern that there was in fact currently a significant risk to Settlement and no restriction within the Supplier Meter Registration Service to prevent a bulk CoA if a Party were to undertake a bulk CoA using the existing processes without first having undertaken careful planning of the process and reaching agreement with affected Party Agents and SMRAs. The Proposed Modification therefore, seeks to reduce the risk to Settlement of a bulk CoA process being undertaken in an unplanned manner by the introduction of a new application process (ie if careful the process were not rigorously planned than there is a risk that the quality of data entering Settlement would deteriorate). This application process would apply to all transfers of Party Agent appointments above a certain threshold (defined in numbers of affected Metering Systems and revised from time to time, by the Performance Assurance Board (PAB)). The application process will be undertaken in accordance with BSCP513 (Attachment 2).

The Proposed Modification has the following key features:

- The PAB shall from time to time set a threshold level, either in aggregate or in any SMRS, above which, a Party wishing to transfer Party Agent appointments will need to go through the application process identified within BSCP513. This threshold will be published on the BSC Website.
- The initiating Party shall prior to undertaking the bulk CoA submit to PAB, an application to undertake a bulk CoA. The application will include:
  - A proposed timetable and methodology for undertaking the bulk CoA;
  - Confirmation from the Party Agents and each affected SMRA as to their abilities to undertake the bulk CoA without adversely affecting their normal processes<sup>4</sup>; and
  - Further details as may be requested by PAB.
- The Party shall discuss with PAB, the contents of the application, methodology and timetable to be adopted when the Party wishes to undertake the bulk CoA process;
- The PAB shall consider the application and accompanying data, together with any other information requested by PAB and determine whether or not to approve the application;
- If the PAB approves such application and the Party decides to proceed with the bulk CoA, BSCCo shall place a statement on the BSC Website to indicate that such a bulk CoA is to be carried out; and
- Following completion of the bulk CoA, the Supplier shall notify the PAB (This includes identification of any issues and actions to resolve such issues).

The VAMG concluded that it was not appropriate to develop an Alternative Modification that dealt solely with the failure of a Party Agent. Instead the VAMG concluded that the Proposed Modification could be enhanced to mitigate against some of the risk to Settlement of the failure of a Party Agent. This was verified by ELEXON's legal advisors and it was confirmed that the intent of the Modification Proposal was not changed by this approach.

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<sup>4</sup> Therefore Party Agents and SMRAs cannot be forced to use this process.

This part of the Proposed Modification sought to place additional obligations on all Parties to hold the following data in respect of each NHH Metering System for which they are acting as a Party:

- The Meter Technical Details (applies to Half Hourly and Non Half Hourly Metering Systems);
- The latest two valid meter readings together with the associated EAC/AAs (Applies to NHH Metering Systems only).

In the event that a Party wishes to replace a failing Party Agent, then they would have sufficient details which could be passed to any replacement Party Agent to enable that Party Agent to undertake their obligations under the relevant Code Subsidiary Documents. It should be noted that no additional processes to cater for Party Agent failure have been added to the relevant Code Subsidiary Documents.

The VAMG were concerned that if a Party attempted to initiate changes to Party Agent appointments for large numbers of Metering Systems without the appropriate checks in place, the risk to Settlement would be high. The VAMG therefore concluded that some form of planning was required and that external and independent scrutiny of such plans should occur prior to the initiation of any process.

#### **4.2 Assessment Against the Applicable BSC Objectives**

The Applicable BSC Objectives set out in paragraph 3 of Condition C3 of the Transmission licence are as follows:

- (a) The efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence;
- (b) The efficient, economic and co-ordinated operation by the Transmission Company of the Transmission System;
- (c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity;
- (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

Modification Proposal P63 was assessed against these Applicable BSC Objectives and the VAMG concluded that independent assessment and analysis of a Party's plan and methodology to undertake a bulk CoA will ensure a controlled approach for the transfer and mitigate against the risk that the integrity of data entering Settlement will be impaired. In turn this will allow Parties to change a Party Agent's appointments efficiently and thereby lead to the promotion of effective competition in the supply of electricity and hence meet Applicable BSC Objective (c).

It should however be noted that one attendee of the VAMG meeting of 14 August 2002 did not agree with the view of the VAMG. For a discussion of the arguments expressed at this VAMG meeting, please see section 4.3.13 and 4.3.15 of this Assessment Report.

#### **4.3 VAMG Assessment of P63**

This Section of the Assessment Report describes the assessment of P63 by the VAMG. It should be noted that prior to arriving at their final view of the form that P63 should take (ie the solution described within Section 4.1 of this Assessment Report), the VAMG discussed a number of possible solutions each varying in the level of detail to be prescribed within the Code and Code Subsidiary Documents. The VAMG also undertook consultations and impact

assessments in relation to these potential solutions. This Section of the Assessment Report details all the discussions and consultations to enable a understanding of how the VAMG concluded on the form that P63 should take.

#### 4.3.1 Summary of Key Dates and Events During the P63 Assessment Procedure

During the course of the Assessment Procedure for P63, the VAMG met eight times, issued three consultation documents and two impact assessments. The timings of these events and primary purpose of each and decisions of each meeting / consultation / impact assessment is shown in the table below. Each key event is described in more detail within the remainder of Section 4.3.

<b>Date</b>	<b>Purpose of meeting / Main Discussion Points / Matters arising</b>
26 March 2002	<u>VAMG Meeting</u> Explanation of revised Panel Terms of Reference (Annex 1); Narrow down solution options from Definition Procedure; Understand constraints within existing systems and processes.
28 March 2002	<u>Issue P63 Assessment Consultation 1</u> Identify constraints within existing system – responses due 10 April 2002.
16 April 2002	<u>VAMG Meeting</u> Assess results of P63 Consultation 1- Agreed that based on consultation responses, significant constraints existed within systems and processes.
2 May 2002	Reviewed High Level Requirements Specification for P63 (Reference 11).
16 May 2002	<u>Panel Meeting: Interim Report</u> Request for extension of Assessment Procedure Timetable, Paper Number: 44/009 (Reference 3) – Request granted.
20 May 2002	<u>Issue P63 Assessment Consultation 2</u> Responses due 31 May 2002. Consultation included High Level Requirements Specification for P63.
5 June 2002	<u>VAMG Meeting</u> Review results of Consultation on High Level Requirements Specification for P63 (Reference 11).
12 June 2002	<u>Change Proposal Circular (CPC) CPC190</u> Issued and requested information relating to whether Parties would use a bulk CoA process were it to be included within the Code (Reference 4).
9 July 2002	<u>VAMG Meeting</u> Discussion of Detailed Level Processes developed by ELEXON (Reference 10). Conclusion that much of the processing described within the detailed processes could already be undertaken if suitable commercial arrangements were put in place.
22 July 2002	<u>VAMG Meeting</u> Discussion on principles for any Code changes. Discussion on principles for any MRA changes. (Both documents included within P63 Assessment Consultation 3)
30 July 2002	<u>Issue P63 Assessment Consultation 3</u>
30 July 2002	<u>MC00007</u> DLIA request issued to establish impact and lead timescales as well as comments on MRA principles.

Date	Purpose of meeting / Main Discussion Points / Matters arising
14 August 2002	<u>VAMG Meeting</u> Review P63 Consultation 3 responses. Confirmation of the P63 recommendations.
3 September 2002	<u>VAMG Meeting</u> Approve draft Assessment Report, confirm legal text is appropriate and review MRA CP111 (Reference 7).

### Key Events During P63 Assessment Procedure

#### 4.3.2 VAMG Meeting – 26 March 2002

The VAMG discussed the background to P63 and noted the additional Terms of Reference placed on the VAMG by the Panel. The Panel had requested that the Modification Group look at:

- The cost and cost allocation mechanism for P63;
- A possible Alternative Modification that dealt solely with Agent failure; and
- An assessment of the impact of P63 on data accuracy.

Each of the above Terms of Reference have been addressed within Sections 4.3.4 and 4.3.5 of this Assessment Report.

The VAMG noted the possible solution elements that had been discussed during the Definition Procedure for P63. These were:

- Use existing processes to deal with the bulk CoA process;
- Vary the existing process:
  - By using a “super” dataflow;
  - By streamlining the existing dataflows; or
  - Via an alternative mechanism for transfer of information (e.g. CD-ROM);
- Synchronising database updates;
- Investigating alternative sources of data (specifically what processes exist in the event of Agent failure); and
- Develop a completely new process for the bulk CoA process.

Further information on the detail of these solution options can be found within the P63 Definition Report (Reference 2).

At the VAMG meeting on 26 March 2002, the VAMG noted that the constraints identified within the Modification Proposal, did not exist within ELEXON’s systems and process. The VAMG concluded that in order for them to determine whether a modification to the Code was necessary, they required further information relating to the exact nature, causes and the level of any constraints within existing systems and processes.

At this meeting, a short presentation on the advantages and disadvantages of each solution was provided by the Proposer of P63 in order to stimulate discussion of the Modification. The Proposer believed that allowing a Party to change Party Agent appointments for large numbers of Metering Systems, would improve competition within the Supply of electricity and so better facilitate the achievement of Applicable BSC Objective (c).

From this discussion the VAMG were able to eliminate some of the options that had been previously discussed.

The VAMG determined to rule out further consideration of the following options:

- Varying the existing process by the creation of a “super” dataflow;
- Varying the existing process by the elimination of existing dataflows;
- Synchronising database updates; and
- Develop a completely new process.

The VAMG wanted, where possible to use existing processes and eliminate the need for wholesale changes to Party and Party Agent systems and concluded that the above options would not be appropriate due to the minimum level of bulk CoA applications that would potentially be made.

The VAMG agreed that further assessment would be made of:

- Using existing processes to deal with the bulk CoA; and
- Investigating alternative sources of data (specifically what processes exist in the event of Agent failure).

#### 4.3.3 P63 Assessment Consultation 1

Following this initial VAMG meeting, ELEXON issued a consultation (P63 Assessment Consultation 1) in order to determine the levels of any constraints that existed within the systems and process used by Parties, Party Agents and SMRAs. It was agreed that in order to gain the maximum benefit from such a consultation, any responses received would have identifying particulars removed prior to their publication and distribution to the VAMG.

Two questions were asked during the initial P63 Assessment Consultation 1. These questions were:

**Question 1.** Please indicate the maximum number of Agent Appointment Instructions your organisation can deal with on any normal working day. Please separate your answers for each role you provide.

**Question 2.** Please indicate how your response to Question 1 would change in the event that the Change of Agent process were to be appropriately scheduled on a one-off basis for example to cater for Party Agent failure.

A summary of the range of responses to these questions is shown in the table below.

Role	Question 1 Response Range		Question 2 Response Range	
	Lower Limit	Upper Limit	Lower Limit	Upper Limit
SMRA	5,000	7,500	5,000	64,000

Role	Question 1 Response Range		Question 2 Response Range	
	Lower Limit	Upper Limit	Lower Limit	Upper Limit
<b>Data Collector</b>	Appointment Flows 500	Appointment Flows 100,000	Appointment Flows 500	Appointment Flows 100,000
	500	Historic details 10,000		Historic Details 30,000
<b>Data Aggregator</b>	Appointment Flows 500	Appointment Flows 100,000	Appointment Flows 500	Appointment Flows 100,000
	500	Historic details 10,000	500	Historic details 30,000
<b>Meter Operator Agent</b>	2 (for CVA Meter Operator) 1,000	10,000	2 (for CVA Meter Operator) 1,000	Up to 15,000
<b>Party</b>	1,500	No constraints	1,500	No constraints

Individual responses, without identifying particulars, to the P63 Assessment Consultation 1 can be found in Annex 2 of this Assessment Report.

#### 4.3.4 VAMG Meeting - 16 April 2002

The purpose of this meeting was to discuss the results of the P63 Assessment Consultation 1 and to gain a greater understanding of the constraints that existed within the systems and processes used by Parties, Party Agents and SMRAs.

The VAMG noted the responses to the P63 Assessment Consultation 1 in, and in particular noted that the level of constraints identified by a number of respondents were much lower than is currently being achieved using normal daily processing.

One attendee at the meeting commented that they had received feedback from SMRAs and attempted to explain the rationale for the low levels of constraints identified. This attendee suggested that constraints identified maybe alleviated by commercial negotiation between the Party and the SMRAs concerned.

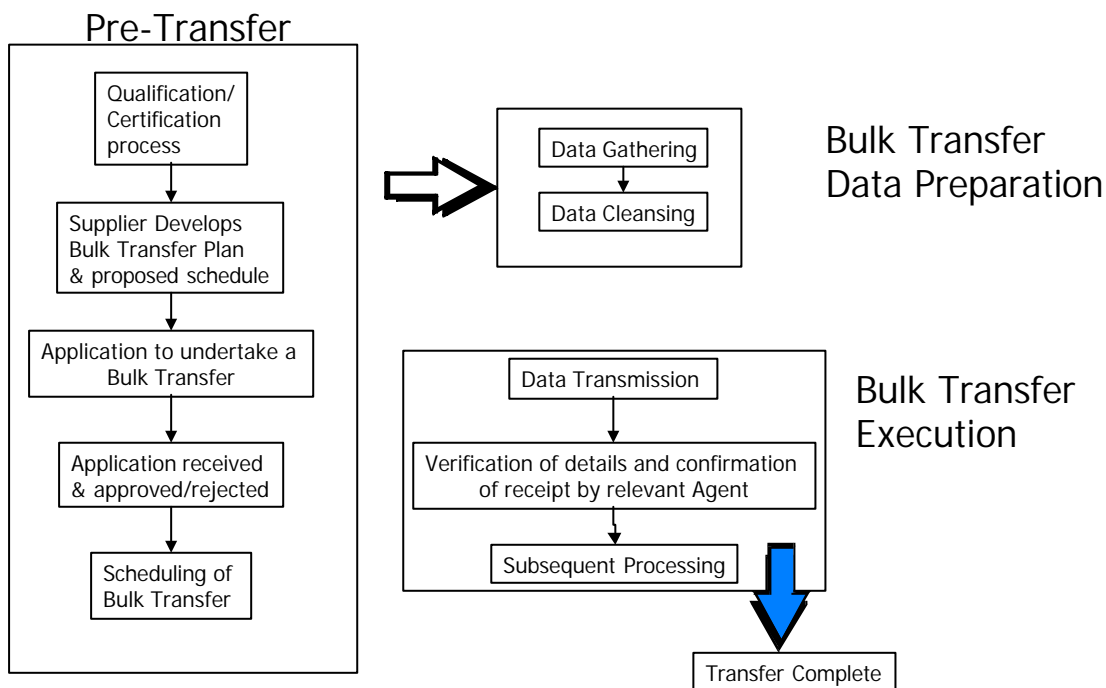
The VAMG also noted the reluctance within the P63 Assessment Consultation 1 responses to identify the cause of any constraints. The VAMG concluded that the constraints were significant enough to continue assessment of P63 provided that any solution that would be adopted did not adversely impact the quality of data entering Settlement.

#### ***Impact on Quality of Data Entering Settlement***

The VAMG discussed whether implementation of P63 would lead to a degradation of quality of data held within Settlement. The VAMG concluded that no degradation in quality would occur, however the existing problems would become more visible due to higher volumes. The VAMG agreed with this and it was on this basis that the VAMG concluded that further, more detailed assessment of the proposed bulk CoA process was needed.

**High Level Requirements Specification**

The VAMG also concluded that in order to assess whether P63 better facilitated the achievement of the Applicable BSC Objectives, a High Level Requirement Specification should be developed outlining only one of the remaining implementation solutions currently being discussed by the VAMG. It was determined that the solution should be based on transferring the data to new Party Agents via a transfer mechanism that did not rely on the existing Data Transfer Network (DTN). Instead, the VAMG requested that the High Level Requirements Specification should be based on the premise that data was transferred between Parties, Party Agents and SMRAs via CD-ROM or other similar technology. The figure below shows a high level overview of the process as described within the High Level Requirements Specification. A full description of each of the activities shown is included within the attached High Level Requirements Specification for P63 (Reference 11).



**High Level Overview of Process described within the High Level Requirements Specification for P63.**

**4.3.5 VAMG Meeting - 2 May 2002**

The High Level Requirements Specification (Reference 11) for P63 was prepared by ELEXON and discussed by the VAMG at their meeting on 2 May 2002. The key features of the bulk CoA process included within this High Level Requirements Specification for P63 (Reference 11) were:

- control and management of the process was to remain with the initiating Party at all times;

- An obligation was to exist on the initiating Party to retain relevant information in order to initiate the process;
- Reliance on data from the outgoing Party Agent would be reduced because any relevant data will be retained by the initiating Party;
- A process whereby the initiating Party would need to apply to the PAB prior to initiating the bulk CoA<sup>5</sup>; and
- All relevant data would be transferred to each Party Agent directly from the initiating Party.

The process described within the High Level Requirements Specification for P63 (Reference 11) introduced a new obligation on all Parties to retain relevant information prior to initiating the process in order to reduce the reliance on the outgoing Party Agent.

The VAMG expressed some concern over this new obligation for all Parties to retain copies of the relevant information irrespective of whether or not they wished to initiate a bulk CoA and suggested that such an obligation should be diluted to one that only required a Party to collate the relevant information prior to the initiation of a bulk CoA.

#### ***Potential Alternative Modification***

The VAMG considered the Panel's request to look at whether a possible Alternative Modification existed that dealt solely with bulk CoA in the case of Party Agent failure. The VAMG did not feel that an obligation to only deal with bulk CoA in the case of Party Agent failure would adequately address the defect identified by the Modification Proposal.

The VAMG did however believe there may be merit in developing an Alternative Modification that included not only Party Agent failure but also all of the elements of a voluntary Party initiated bulk CoA as outlined in this Assessment Report. Such a potential Alternative Modification would however involve the retention of the obligation on the Party to retain sufficient data, such that they could invoke a bulk CoA in the event of Party Agent failure without the need to resort to requesting such data from the failing Party Agent.

#### ***Cost and Cost Allocation***

The VAMG discussed the issues relating to costs and cost allocation and concluded that it was appropriate for any costs involved in developing and operating systems during the execution of a bulk CoA initiated by a Party should be borne by that Party. The VAMG considered that there would probably be little or no changes to ELEXON and BSC Systems and as such the matter of cost allocation was not a matter that warranted further consideration until later in the assessment of P63.

As part of the potential Alternative Modification deals with the requirements that are created as a result of Party Agent failure, the VAMG agreed that it maybe appropriate to undertake further work in addressing any costs and cost allocation issues.

The VAMG agreed that the principles included within the High Level Requirements Specification for P63 (Reference 11) should be the subject of a second consultation (P63 Assessment Consultation 2). A two-week consultation was initiated on 20 May 2002 with responses due back in time for the next meeting of the VAMG on 5 June 2002.

#### ***Interim Report and Request for Extension of Assessment Procedure***

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<sup>5</sup> Such an application would include the initiating Party developing a plan for the bulk CoA showing that the Party has sufficient resources in place to deal with the transfer.



The VAMG believed that it would be difficult to fully assess P63, without first assessing the impact that would be included within the detailed processes. The VAMG anticipated that, the development of the relevant Code Subsidiary Documents, including the relevant walkthrough of the procedures, would require an extension of the Assessment Procedure by three months. Such extension would allow an Assessment Report to be presented to the Panel at their meeting on 12 September 2002. The Proposer of the Modification confirmed that they would be happy with the suggested approach.

Accordingly an Interim Report was prepared and presented to the Panel at their meeting on 16 May 2002 (Reference 3). The Panel agreed to the extension to the Assessment Procedure to allow further detailed analysis of the solution and the preparation of any Code Subsidiary Documents that would be required.

#### 4.3.6 P63 Assessment Consultation 2

The second P63 Assessment Consultation 2 on the High Level Requirements Specification for P63 (Reference 11) was initiated on 20 May 2002. This sought respondents' views on the contents of the High Level Requirements Specification for P63 (Reference 11) and sought answers relating to the issues that had been discussed by the VAMG.

Specifically the respondents to the P63 Assessment Consultation 2 were asked the following questions:

**Question 1:** Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?

**Question 2:** Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?

**Question 3:** If the answer to Question 2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures (BSCPs) to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?

**Question 4:** The Volume Allocation Modification Group recommended that, in the case of a voluntary<sup>6</sup> Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?

**Question 5:** Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives?

**Question 6:** Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?

**Question 7:** Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents?

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<sup>6</sup> As opposed to a forced bulk CoA initiated as a result of Party Agent failure.

**Question 8:** Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process?

**Question 9:** Do you have any further comments to make on P63?

The P63 Assessment Consultation 2 was completed on 31 May 2002 with responses being distributed to the VAMG on the same day and discussed at the VAMG meeting on 5 June 2002. Responses can be found in Annex 3 to this Assessment Report.

#### 4.3.7 VAMG Meeting – 5 June 2002

The VAMG noted the discussions in respect of P63 that the Panel had on 16 May 2002 meeting. In particular they noted that the Panel request that, in the event the VAMG could not reach agreement on a way forward, an Interim Report should be prepared prior to the 12 September 2002 meeting stating the conclusions of the VAMG.

The VAMG discussed the responses from the P63 Assessment Consultation 2. There were 15 responses to this P63 Assessment Consultation 2. The VAMG noted the views of respondents to each of the questions. The responses to each question are summarised below:

**Question 1. Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?**

The VAMG noted that 8 respondents answered 'yes' whilst 7 respondents answered 'no'. The arguments against the continued progress of P63 were that the respondents believed that no restriction existed within the Code that prevented a bulk CoA using the existing Code Subsidiary Documents. The arguments in favour of a modification to the Code were that there was a need for a new process as the current BSCPs deal with Metering Systems undergoing a change of agent on an individual basis. The VAMG believed therefore that some change to accommodate larger volumes of transfers of Party Agent appointments in respect of Metering Systems was necessary if a bulk CoA were to be undertaken.

The VAMG discussed in detail the responses and noted the suggestion from SMRAs that such agreements dealing with the bulk CoA could be put in place on a bilateral basis between a Party and SMRAs. Concern was expressed by the VAMG that any such arrangements needed to be transparent to ensure equity across all Parties and that one way of achieving this could be via the progression of P63 as well as corresponding changes to the MRA.

**Question 2. Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?**

6 respondents supported the solution outlined in the High Level Requirements Specification for P63 (Reference 11) whilst 9 were against the solution. The main arguments against the solution identified were that the existing process should be utilised where possible.

**Question 3. If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?**

One respondent indicated that they believed the appropriate mechanism for facilitating a bulk CoA was by using the DTN.

**Question 4. The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?**

6 respondents agreed with this recommendation whilst 6 respondents disagreed. A number of respondents questioned what was meant by relevant information and ELEXON confirmed that the definition of the relevant information could be completed if the VAMG required this option to be progressed. The VAMG saw no reason to change its original recommendation.

**Question 5. Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.**

8 respondents supported an Alternative Modification that dealt with Party Agent failure whilst 6 respondents were opposed to this approach. A number of respondents commented that Party failure issues should be resolved prior to Party Agent failure issues being progressed.

**Question 6. Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?**

10 respondents agreed that the costs of any voluntary Party initiated bulk CoA should be borne by the initiating Party. The main argument for this was that if a Party wished to initiate a process that would cost a Party Agent money then this should be a commercial matter between the Party and that Party Agent.

**Question 7. Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.**

3 respondents agreed with this approach whilst the majority (8) of respondents disagreed. The main reasons for disagreement were that it was unfair to expect Party Agents/SMRAs to pay anything towards the costs of Party Agent failure.

**Q8. Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.**

10 responses agreed with this approach whilst 5 responses disagreed with this approach.

#### ***Discussion of VAMG***

Having discussed the responses to the P63 Assessment Consultation 2, the VAMG discussed the purpose of data transfer via CD-ROM. Taking into account the responses received from the SMRAs or distribution businesses, the VAMG concluded that it may be more appropriate to utilise a CD-ROM solely for dataflows sent to and from Party Agents whilst the SMRAs could use the existing DTN. The VAMG recognised that this presented some difficulty in exercising the process as described within the High Level Requirements Specification for P63 (Reference 11) as it would not necessarily be possible to undertake a trial run for this approach. ELEXON agreed to develop the detailed changes to Code Subsidiary Documents in order that members

of the VAMG could form an opinion as to whether these options better facilitated the Applicable BSC Objectives.

A discussion was held about the levels of Metering Systems that would undergo the CoA process. It was agreed that there should be a minimum number of Metering Systems required in order to initiate the bulk CoA process in any SMRA area. The VAMG also concluded that in order for systems and processes to be robustly designed, developed, tested and implemented an assumption should be made about the maximum number of Metering Systems to be transferred on any Calendar Day via this process.

***Threshold for Bulk Change of Agent***

The VAMG discussed whether it was appropriate to have a threshold level, in numbers of Metering Systems, before a Party should be allowed to invoke a bulk CoA process. It was agreed that there should be a threshold set by PAB which would be the minimum number of Metering System Identifiers (MSIDs) required in order to initiate the bulk CoA process in any SMRA area.

***Use of Bulk Change of Agent Processes***

The VAMG expressed concern that any provisions introduced into the Code would not be used and requested that ELEXON seek views from Parties on their proposed use of the process. On 12 June 2002, ELEXON issued CPC190 (Reference 4) to seek views on whether Party's would use any bulk CoA provisions, were they to be introduced to the Code. The VAMG agreed that responses to this CPC might be of a confidential nature and that any identifying particulars should be removed from responses prior to publication.

**4.3.8 CPC190 – Detailed Level Impact Assessment**

CPC190 (Reference 4) asked three questions:

**Question 1a:** Were a facility to allow the Bulk CoA of Party Agent appointments to be introduced within the Code, do you envisage using it?

**Question 1b:** If your answer to 1a was yes, what number of metering systems would you wish to transfer per Settlement Day?

**Question 2:** What is the minimum number of metering systems that you believe should be set within any GSP Group in order to undertake a Bulk CoA of Party Agent appointments?

**Question 3:** What is the maximum number of metering systems within a GSP group that you believe should be accommodated within the design for any solution for Bulk CoA?

There were 8 responses to CPC190. A complete set of responses, with identifying particulars removed, can be found in Annex 5 of this Assessment Report with a summary of the responses shown in the table below.

**Summary of responses to CPC190**

Question 1a	Would use = <b>3</b> <sup>7</sup>
	No comment = <b>1</b>
	Would not use = <b>4</b>

<sup>7</sup> Two of the responses planning to use the process were different Parties owned by the same Parent Company.

Question 1b	<ul style="list-style-type: none"> <li>• Dependent on planning process &amp; resources</li> <li>• Dependent on SMRA</li> </ul>
Question 2	<ul style="list-style-type: none"> <li>• 1</li> <li>• 25,000</li> <li>• 500,000</li> </ul>
Question 3	<ul style="list-style-type: none"> <li>• 1,500,000</li> <li>• Dependent upon the Party and agent systems and processes in place.</li> <li>• 5<sup>8</sup></li> </ul>

#### 4.3.9 Detailed Level Processes

Following the VAMG meeting on 5 June 2002, two versions of the detailed level processes were produced by ELEXON (Reference 10). The first version (Version 1.0) took account of the VAMG amendments to the High Level Requirements Specification for P63 (Reference 11). The second version (Version 1.1) mapped the original specification contained within the High Level Requirements Specification for P63 (Reference 11) and was produced for completeness.

#### 4.3.10 VAMG Meeting – 9 July 2002

The VAMG commenced a walkthrough of the detailed processes that had been distributed by ELEXON (Reference 10). The key differences between the processes were that with one version (version 1.0) the dataflows to and from the SMRA used the DTN and with (version 1.1) of the process these dataflows were sent via CD-ROM.

Some members of the VAMG expressed a concern about the similarity between much of the new processes and that already contained within the existing BSCPs. This was particularly the case in the area for the transfer of the Party Agent appointments from one Party Agent to another. ELEXON confirmed that these provisions were similar and that there was currently nothing to prevent the data transfer elements of the processes adopting the existing arrangements described within the BSCPs. This is because the current BSCPs state that data is to be transferred 'Electronically or other method as agreed'.

The VAMG recognised that there was nothing within the Code to prevent any Party undertaking a bulk CoA at the moment without having first gone through a planning process and having independent scrutiny of such plans. The VAMG expressed concern that, were a Party to attempt to transfer significant numbers of Party Agent appointments without first co-ordinating this with the respective Party Agents, the integrity of data that would enter Settlement might be at risk.

The VAMG therefore concluded that P63 was needed to ensure the integrity of data entering Settlement and that the additional quality measures (ie advance planning and application to execute process in a controlled manner) adopted for P63 should be used for all occurrences where large numbers of Party Agent appointments are being initiated by a Party on a given Calendar Day.

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<sup>8</sup> The respondent was contacted about this response, as it seemed contrary to the answer in question 2. The respondent confirmed that the question had been misunderstood and this answer should be ignored.

The VAMG concluded by defining that all transfers above a certain threshold level (in numbers of Metering Systems) should be mandated to undergo a PAB application process. The VAMG concluded that this threshold value could be set and revised from time to time by PAB.

The VAMG also expressed concern that they should not do anything to undermine the existing Change of Agent process review currently underway by ELEXON<sup>9</sup>. The VAMG felt it would be appropriate to benefit from such work and if the P63 processes were developed to rely on existing processes wherever possible, the net effect of any changes from such processes would filter through to any bulk CoA once P63 had been implemented.

ELEXON agreed it would develop the principles of the P63, which would subsequently form the basis of the proposed Code changes and distribute these prior to the next meeting of the VAMG to discuss P63. In addition MRASCo agreed that it would develop the necessary principle changes to the MRA for consideration by the VAMG.

#### **4.3.11 VAMG Meeting – 22 July 2002**

Principles for the changes to the Code were developed and discussed at the meeting on 22 July 2002. The VAMG concluded a number of detailed points that were fed into the Code changes that were developed subsequent to the meeting.

The VAMG also discussed the principle requirements for the MRA changes and agreed that an MRA Change Proposal should be drafted.

The VAMG agreed that a third P63 Assessment Consultation should be initiated and that Parties and Party Agents should be asked to assess the impacts of the Proposed Modification.

#### **4.3.12 P63 Assessment Consultation 3 and Detailed Level Impact Assessment (M00007)**

##### ***P63 Assessment Consultation 3***

A third consultation (P63 Assessment Consultation 3) was issued by ELEXON on 30 July 2002 with responses due back at 3pm on 13 August 2002 in order that they could be reviewed by the VAMG at their meeting at 10am the following day. This P63 Assessment Consultation 3 was significant in that it sought respondent's views on the detailed processes as well as a draft of the changes to the Code being proposed by the VAMG.

Specifically the respondents were asked the following questions:

**Question 1:** Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?

**Question 2:** Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.

**Question 3:** At what level do you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.

**Question 4:** Do you agree with the principles outlined for inclusion within the MRA?

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<sup>9</sup> This piece of work is being progressed by the Change of Supplier & Change of Agent Project.

**Question 5:** In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.

**Question 6:** The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.

Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.

**Question 7:** Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?

**Question 8:** Do you have any comments to make on the attached draft legal text for P63?

**Question 9:** Do you have any further comments to make on P63?

#### ***Detailed Level Impact Assessment***

In addition to the P63 Assessment Consultation 3 a parallel DLIA, via MC00007 'Detailed Level Impact Assessment of Modification Proposal P63 – 'Change of Contract Management of MPANs for DC, DA & MO' (Reference 5) was issued by ELEXON on 30 July 2002 with responses due back at 3pm on 13 August 2002 in order that they could be reviewed by the VAMG at their meeting at 10am the following day.

The following questions were asked:

**Question 1:** What impact, if any, will P63 have on your organisation?

**Question 2:** What would be your required lead time to develop any changes required as a result of P63?

**Question 3:** What would be your preferred Implementation Date for P63? Please specify one of the following quarters:

- Quarter 1, 2003
- Quarter 2, 2003
- Quarter 3, 2003
- Quarter 4, 2003

**Question 4:** Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?

#### **4.3.13 VAMG Meeting – 14 August 2002 - Responses to Consultation 3 and DLIA**

At their meeting on 14 August 2002, the VAMG reviewed the responses that had been received to the P63 Assessment Consultation 3 and the DLIA.

##### ***Responses to P63 Assessment Consultation 3***

A total of 12 responses (50 Parties and 1 Non Party) were received in time for discussion by the VAMG. It should also be noted that a further two consultation responses (from SP Transmission/SP Manweb and Scottish Power Energy Retail) were received immediately following the conclusion of the VAMG meeting and were therefore not considered during the discussions on the day. These responses were distributed to VAMG members who were asked to provide any comments in the event that receipt of these late responses had in any way

caused a VAMG member to change their views in respect of P63. No responses were received to indicate this was the case. The summary information below therefore only takes into account the views of the responses available to the VAMG meeting on 14 August 2002. A complete set of responses (including late ones) is contained within Annex 4.

A summary of the responses is provided below:

**Question 1:** Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?

7 Respondents (32 Parties and 1 non-Party) indicated that P63, as defined by the legal text attached to the consultation, better facilitated the achievement of the Applicable BSC Objectives. All of these respondents were either Parties or Party Agents. The arguments expressed in favour of P63 were that:

- audit requirements are covered by the combination of a proven processes and prudence;
- P63 is a logical extension to the Change of Agent and de-Accreditation process;
- Should assist in competition in Supply of electricity by enabling a Party to appoint preferred agents more rapidly;
- Reflects the needs of industry and the benefits of commercial arrangements;
- Promotes efficiency in the implementation and administration of the balancing and settlement arrangements.

Respondents (18 Parties) did not believe that the applicable BSC Objectives were better facilitated by P63. These respondents included 2 Suppliers whilst the remaining responses were from distribution businesses.

The arguments expressed against P63 are shown below together with appropriate views of the VAMG in response:

- **Comment:** One respondent believed that the fundamental problem with the CoA process had not been addressed and the introduction of P63 introduces a potentially bureaucratic process. **VAMG Response:** Separate activities are underway to address issues associated with the CoA process<sup>9</sup>, any resultant benefits from this separate process will also benefit users of P63.
- **Comment:** There are no constraints currently within the BSC that would prevent the transfer of large volumes of Party Agent appointments. **VAMG Response:** The VAMG agree with this statement, however have expressed concern over the risk to Settlement of an uncontrolled bulk CoA process being undertaken. The VAMG believe that it is appropriate therefore to introduce the process described within the P63 legal text and associated Code Subsidiary Documents and MRA.
- **Comment:** MPAS Service Providers are able to undertake bulk processing over weekends via a bilateral agreement. **VAMG Response:** The VAMG agree that any bulk CoA will be undertaken by bilateral agreements between the Party, his Party Agents and the relevant SMRAs. The introduction of P63 encourages this process and ensures that suitable arrangements are in place to undertake the bulk CoA.



- **Comment:** The uncontrolled bulk CoA can be prevented by setting a limit on the number of CoA undertaken without prior agreement by the SMRA. **VAMG Response:** P63 facilitates this by allowing thresholds to be set at an SMRA level by the PAB.
- **Comment:** The PAB should be enhanced further to look into the quality of data. **VAMG Response:** This was one of the criteria that may be taken into account by PAB when deciding whether to approve a Party's application to undertake the bulk CoA process.
- **Comment:** Do not believe that the CD-ROM approach is the correct one. **VAMG Response:** The process by which the Party will transfer the data to each of his Party Agents and to the affected SMRA will depend on the nature of bilateral arrangements outwith the Code. It is for the parties to such bilateral arrangements to agree a suitable data transfer medium. The use of a CD-ROM was one approach that could be used but has not been mandated within the legal drafting or Code Subsidiary Documents or the MRA.
- **Comment:** Concern has been expressed about the requirement to be placed on Parties to hold additional data such as Meter Technical Details. **VAMG Response:** Refer to the VAMG Response to Question 5. .

**Question 2:** Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Party to initiate a bulk CoA without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a bulk CoA.

7 Responses (33 Parties) supported the view expressed by the VAMG whilst 3 respondents indicated they did not support this view.

The arguments in support of the VAMG view were that:

- The greater the volume the greater potential for a problem occurring;
- Bulk CoA could have a significant impact on market participants if adequate protection is not in place in the form of planning the execution of the transfer;
- Significant risk to Settlement if a bulk CoA is undertaken without sufficient P63 safeguards; and
- Ensures that Settlement integrity is not compromised.

The arguments expressed against the views of the VAMG are expressed below together with responses from the VAMG addressing each point.

- **Comment:** Risk is already mitigated by reliance of Parties on the successful outcome of Change of Agent processes. **VAMG Response:** The VAMG believe that there is a risk posed to Settlement and therefore believe the appropriateness of the process.
- **Comment:** Existing certified systems are used and therefore it is not necessary for PAB approval prior to initiation of such a process. **VAMG Response:** The VAMG recognise that problems have been identified with the existing processes using certified systems and believe it is prudent to provide an additional check prior to the initiation of any bulk CoA.

- **Comment:** Do not think that a declaration that “sufficient resources are in place” is enough to safeguard the market. **VAMG Response:** The PAB may choose to ask the initiating Party to provide additional information as allowed for in the drafting attached to this Assessment Report.

**Question 3:** At what level do you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.

**SMRA suggested thresholds:** 500, 1,000, 3,000, 10,000, 20,000<sup>10</sup> and 25,000.

**Aggregate thresholds:** 500, 3,000 and 75,000.

**VAMG Response:** The VAMG concluded that it would be appropriate to allow PAB to consider the responses to the P63 Assessment Consultation 3 and set an appropriate threshold value. The VAMG however did stress that any level set by PAB should not be lower than current operational levels. The VAMG therefore suggested that PAB consider a level of threshold in excess of 20,000 Metering Systems per SMRA per calendar day. PAB could if it so wished determine an aggregate threshold although the VAMG had no empirical evidence to allow them to suggest an appropriate value for this.

**Question 4:** Do you agree with the principles outlined for inclusion within the MRA?

7 Respondents (33 Parties) supported the principles outlined within the P63 Assessment Consultation 3.

5 Respondents (17 Parties) did not support the principles outlined within the P63 Assessment Consultation 3.

The arguments expressed in favour of the principle MRA changes were:

- One respondent supported this to ensure that changes to the MRA are delivered in a timely manner;
- The same respondent requested clarification on the level of costs to be imposed on Parties and suggested a preferred option would be to introduce a schedule of charges.

The VAMG noted that the proposed changes to the MRA would require SMRAs to process the bulk CoA without adversely impacting daily operations. Section 7.1 provides further details on the progress of the MRA change process.

- The arguments expressed against the MRA principle changes, together with the VAMG comments are shown below. **Comment:** One respondent reiterated the response given to question one that the fundamental problem with Change of Agent process has not been addressed. **VAMG Response:** This has been addressed earlier within this Assessment Report.
- **Comment:** The proposals give the SMRAs a get out for not processing routine dataflows within required timescales. **VAMG Response:** P63 is not intended as an excuse for not completing current total daily processing by SMRAs. It is intended that were CD-ROMs, or other similar technology, to be used for the transfer of data to certain SMRAs, the dataflows contained on that disc could be

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<sup>10</sup> Supported by two Parties.

batched together to allow appropriate checkpoints to be taken during the processing of the dataflows. This would allow any activities undertaken as part of the bulk CoA process to be suspended whilst normal daily processing is undertaken. It would be for the individual SMRAs to reach agreement with the Parties.

**Question 5:** In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.

Respondents were asked to specify the calendar quarter that they would prefer any implementation of P63 to occur on. The majority of respondents favoured the implementation of P63 during Quarter 2, 2003.

The VAMG discussed the rationale for this view and agreed that this was to enable, in the main, Parties to put in place systems to retain and produce on demand the additional data required in the event of Party Agent failure. The VAMG believed that the benefits of P63 (ie the PAB application process in order to reduce the risk to Settlement) should be introduced at the earliest opportunity and agreed an Implementation date of 20 Working Days after an Authority determination in favour of P63. This was based on the VAMG's view that Parties only needed a system in place to retain the data and could develop systems subsequently to produce the data in a format to be agreed with any replacement Party Agent following Party Agent failure.

**Question 6:** The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the bulk CoA process in the event of an Agent failure. Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.

3 respondents suggested that additional steps were put in place.

1 respondent suggested that an "Agent of Last Resort" is introduced to take over the failing Party Agent's Party Id but accepted that this should be undertaken separately from the discussion on P63.

One respondent suggested that the fundamental defects with the current processes needed to be addressed. The VAMG however agreed that this would be addressed by the existing work being undertaken to look at the Change of Agent processes<sup>9</sup> and any bulk CoA initiated would benefit from the results of this work.

One respondent suggested that the requirements for Party Agent failure had not been properly analysed. **VAMG Response:** The VAMG discussed this and believed that the modification had not been raised to solely analyse the requirements for Party Agent failure. They further concluded that the measures included within P63 contributed to mitigating the risks of Party Agent failure.

Another respondent suggested the appointment of an industry data manager would help assist the reduction of poor quality data entering Settlement.

The VAMG agreed that all responses will be fed into the work currently being undertaken to analyse the Change of Agent processes<sup>9</sup>.

**Question 7:** Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?

7 responses agreed that the MRA Principle Changes document should be developed into a formal CP. Few additional comments were made over and above those in response of Question 4. Shown below are any new discussion points made some of which will be fed into the MRA change process:

- One respondent did not agree that it was appropriate for dataflows to be sent by any other mechanism than the DTN.
- One respondent suggested a multilateral agreement may be an appropriate way of addressing this.
- One respondent did not see the need for an MRA Agreed Procedure (MAP) to specify the process.

**Question 8:** Do you have any comments to make on the attached draft legal text for P63?

One respondent expressed concern over the additional obligations to retain data in the event of Party Agent failure. The VAMG however felt that this was necessary to mitigate against the risk of Party Agent failure.

**Question 9:** Do you have any further comments to make on P63?

One respondent requested further information relating to where the threshold levels would be published in order that appropriate visibility of these is provided. The response to this is that they will be published on the BSC Website and an ELEXON Circular would be issued to indicate any changes to these threshold values.

One respondent felt that the Party initiating a bulk CoA should inform PAB on completion of the bulk CoA activities. This has been added to the process.

One respondent questioned what measures PAB would take in the event that an outgoing Party Agent did not facilitate the transfer of data to the new Party Agents. The VAMG took the view that PAB would use their normal procedures available to them as part of the Performance Assurance framework.

One respondent suggested the need to undertake a test of the bulk CoA process. The VAMG agreed that there was nothing to prevent this occurring but stressed that they did not want to be overly prescriptive in this area.

One respondent (a Party Agent) suggested that leaving the details of the transfer to a commercial agreement may introduce problems. The VAMG concluded that the details of the commercial arrangements were outside the scope of P63.

One respondent suggested that the PAB process should not cover all triggers to a bulk CoA. This has been amended to exclude the need to go to PAB in the event of Party Agent failure.

One respondent suggested changes would be required to a number of other Code Subsidiary Documents. These changes have now been developed. BSCP513 'Bulk Change of NHH Party Agent' was approved on 03/09/02 whilst the other Code Subsidiary Documents were approved (SVG/20/250, Reference 6) to proceed to Detailed Level Impact Assessment to be approved, subject to Authority approval of P63.

One respondent felt it was difficult to justify making the changes given that so few Parties wished to undertake the process. The VAMG considered that if any Party Agent were to undertake a bulk CoA process using bilateral agreements with each affected Party Agent and SMRA it would be appropriate to undergo the process described within BSCP513 'Bulk Change of NHH Party Agent' to reduce the risk of poor data quality entering Settlement.

One respondent suggested the PAB application process might introduce unnecessary delays into the process for a bulk CoA and that "drip feeding" appointment flows for a given Calendar Day over the preceding 28 days was more appropriate. The VAMG agreed that drip feeding the data to the SMRAs over a 28 day period within existing voluntary processing constraints (of say 20,000 Metering Systems across the whole industry on any Working Day) would only allow for 400,000 appointment flows to be processed over that 28 day period. The VAMG agreed that this may force any Party wishing to change Party Agent appointments for say 2 million Metering Systems into a much more protracted process.

### **Responses to DLIA**

**Question 1:** What impact, if any, will P63 have on your organisation?

A range of responses were received, which ranged from 'no impact', an impact on business processes through to system changes potentially being required. The reasons given for system change impact was that data retention facilities would have to be put in place in order to be compliant with the proposals described in the draft legal text.

**VAMG Response:** The VAMG discussed the proposed legal text, which would require Parties to have data retention facilities in place and noted that it was for the Party (either directly or via his Party Agent) to develop this facility. The VAMG noted that Party Agents were already required to retain historical data in accordance with the relevant Party Service Lines and that the raising and processing of a dispute would also require historical data to be available to the Party. The VAMG therefore concluded that this was not an unreasonable obligation to require Parties to retain a limited set of data. In addition, the VAMG discussed the comment received on the potential significant impact on Party Agents as a result of proposing the CD-ROM data transfer mechanism. The VAMG concluded that it was for the participants affected to agree an appropriate data transfer mechanism, in line with the existing principles included within BSCPs, as long as this could be processed in an efficient manner and without adversely affecting others.

**Question 2:** What would be your required lead time to develop any changes required as a result of P63?

The timescales provided ranged from zero up to a maximum of 12 month lead time.

**VAMG Response:** The VAMG discussed the potential impact on Parties, Party Agents and SMRA's in light of the responses provided to question 1 and 2 and concluded that the lead time could be reduced to a minimum on the basis that P63 was entirely optional and that the data retention requirements were already an indirect obligation.

**Question 3:** What would be your preferred Implementation Date for P63? Please specify one of the following quarters.

The majority (3) of respondents preferred Quarter 2, 2003 although responses were also provided for the remaining quarters in 2003. Three respondents either declined to commit, were unable to commit or had no preference on the Implementation Date.

**VAMG Response:** The VAMG noted that Quarter 2 was the preferred quarter but also noted that other respondents were able to commit to earlier or later quarters. In view of the discussions had on question 1 and 2 the VAMG concluded that the Implementation Date could be set earlier.

**Question 4:** Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?

The majority of responses were 'yes' (8) however there were 3 'no' responses. The concerns raised included implementation costs, validation / exception handling, priorities of jobs, the role of the asset provider in relation to the maintenance of meters and finally where the SMRA's could 'get out' of not processing routine dataflows.

**VAMG Response:** The VAMG reviewed the principles in light of the concerns raised and agreed that an MRA Change Proposal should be drafted and submitted to the MRA Development Board (MDB) on 26 September 2002, where appropriate taking account of the concerns raised.

A complete set of responses is contained within Annex 6.

#### ***Further discussions***

Following the discussion of the responses to P63 Assessment Consultation 3, the DLIA and the principle changes to the MRA, the VAMG agreed that changes should be drafted to the related Code Subsidiary Documents and that these be issued for DLIA, subject to SVG agreement. The related Code Subsidiary Documents are:

- BSCP501 'Supplier Meter Registration Service'
- BSCP504 'Non-Half Hourly Data Collection For SVA Metering Systems Registered In SMRS'
- BSCP505 'Non-Half Hourly Data Aggregation For SVA Metering Systems Registered In SMRS'
- PSL110 'SVA Meter Operation'
- PSL120 'Non Half Hourly Data Collection'
- PSL140 'Non Half Hourly Data Aggregation'
- PSL160 'Supplier Meter Registration Service'

One of the attendees at the VAMG reiterated a point that P63 should address the fundamental issues associated with the CoA processes, as part of the progress of P63. The VAMG noted that this was being currently addressed outside the scope of P63<sup>9</sup>. The VAMG also noted however that CP842 'Revision To Non-Half Historical Data Transfer Requirements' (Reference 9) is being progressed in accordance with BSCP40. This CP addresses one of the known issues with the CoA process.

The VAMG confirmed their recommendation to recommend approval of P63 with an Implementation Date of 20 Working Days after the Authority determination in respect of P63.

#### **4.3.14 Supplier Volume Allocation Group – 3 September 2002**

The Supplier Volume Allocation Group (SVG) (SVG/20/250) was presented with BSCP513 for caveated approval on 3 September 2002 and was requested to agree that the remaining Code Subsidiary Documents affected by P63 were issued for DLIA.

SVG agreed to recommend approval of BSCP513 to the Panel and also agreed that the remaining Code Subsidiary Documents, which were presented to SVG, were issued to Parties and Party Agents for DLIA.

SVG were presented with MRA CP111 (Reference 7) and were requested to provide any responses on this to ELEXON in preparation for the MRA Development Board (MDB) on 26 September 2002.

The SVG also agreed CP842 for progression to DLIA (SVG/20/249)

#### **4.3.15 VAMG Meeting – 3 September 2002**

The VAMG met for a final time, during the Assessment Procedure, to discuss P63 on 3 September 2002. The purpose of this meeting was to confirm the contents of the draft Assessment Report adequately reflected the views of the VAMG and that the legal text was appropriate to address the defect within the Modification Proposal.

The VAMG noted that a response to the P63 Assessment Consultation 3 had been received on 2 September 2002, whereas the closing date for responses had been 3pm on 13 August 2002. The VAMG concluded that the contents of this late response did not alter the views that they had expressed at the VAMG meeting of 14 August 2002. The VAMG did however feel that it was appropriate to observe, that in order for due consideration to be given to responses by the relevant Modification Group, responses should be submitted in accordance with the requested timetable. This response has been provided within the Consultation Responses.

The VAMG discussed the central costs of £2,800. The VAMG noted the Panel Terms of Reference (Annex 1) which included addressing costs and cost allocation and confirmed their belief that such a reference was included at a time when it was considered that the central cost of implementing P63 would be significant. The VAMG conclude that this cost should be borne by all BSC Parties as creating a separate cost recovery mechanism to cover the Implementation of P63 from Parties who initiated the process would not be an efficient process.

The VAMG discussed the consequential changes required within the MRA in order to facilitate P63 and noted that a Change Proposal (Reference 7) had been raised to facilitate the changes. The VAMG were unanimous that a schedule of charges (for SMRA services) should be transparent. The VAMG recognised that it was important to realise the benefits of P63 in a timely manner and that the Change Proposal had not included a separate charging schedule. Such a charging mechanism would have required a Licence change and hence would have introduced a delay to the potential implementation of the P63 provisions within the MRA. The proposer of P63 agreed that this matter could be the subject of a separate Change Proposal which would be pursued this outside the scope of P63.

The VAMG again noted that there were no existing constraints within the Code, Code Subsidiary Documents or the MRA that would prevent a Party initiating a bulk CoA. They further noted that if a Party were to initiate such a process without careful consideration and planning, this could adversely affect the performance of an SMRA and potentially pose a risk to Settlement. The VAMG therefore reiterated their belief that P63 better facilitated the achievement of the Applicable BSC Objective (c).

The VAMG reviewed the legal text supporting the Proposed Modification and requested some minor clarifications be made. These clarifications were made and a copy of the revised legal text was distributed and agreed by the VAMG following the meeting.

#### **4.3.16 M00011 – Detailed Level Impact Assessment of Remaining Code Subsidiary Documents**

Following SVG agreement on 3 September 2002 (SVG/20/250), the remaining Code Subsidiary Documents affected by P63 were issued for DLIA (M00011, Reference 8). The results of this DLIA will be provided to the Panel in October 2002.

## **5 IMPACT ON THE CODE AND BSCCO DOCUMENTATION**

### **5.1 Balancing and Settlement Code**

P63 requires minor changes to Sections J and S of the Code. The changes to the legal text of the Code in the following sections are based on version 3.0 of Section J and version 1.1 of Section S respectively. If the baseline of the Code changes prior to implementation of P63, or if other Modification Proposals are to be implemented at the same time as P63, and that such changes directly impact the legal text for P63, the legal text may need to be amended.

A summary of the changes is given with the comprehensive set of changes being shown with red lining and strike out to indicate the proposed changes is included in Attachment 1. In summary:

Section J – Amendments will be made to Section J to identify a threshold level, in numbers of Metering Systems, to be set by PAB, above which all Parties would be expected to invoke the process described within BSCP513.

Section S – Additional obligations will be placed within Section S to reinforce existing obligations on Parties to retain sufficient information to enable the risk of Party Agent failure to be reduced.

### **5.2 Code Subsidiary Documents**

A new Balancing and Settlement Code Procedure (ie. BSCP513 'Bulk Change of NHH Agent') has been developed. BSCP513 outlines the application process, which would be required to be followed for any Party wishing to initiate a bulk CoA. Once the application is approved, BSCP513 refers the reader to the related BSCPs for processing the bulk CoA. BSCP513 was presented to SVG on 3 September 2002 (SVG/20/250, Reference 6). SVG agreed to recommend approval of BSCP513 to the Panel. BSCP513 is included in Attachment 2.

Additional consequential changes are required to the following Code Subsidiary Documents:

- BSCP501 'Supplier Meter Registration Service'
- BSCP504 'Non-Half Hourly Data Collection For SVA Metering Systems Registered In SMRS'
- BSCP505 'Non-Half Hourly Data Aggregation For SVA Metering Systems Registered In SMRS'
- PSL110 'SVA Meter Operation'
- PSL120 'Non Half Hourly Data Collection'
- PSL140 'Non Half Hourly Data Aggregation'
- PSL160 'Supplier Meter Registration Service'

SVG agreed on 3 September 2002 (SVG/20/250, Reference 6) that these Code Subsidiary Documents should be issued for DLIA. Extracts of the versions, which were presented to SVG, are included in Attachment 2.



## 6 IMPACT ON BSC SYSTEMS

No impact on the BSC Systems has been identified during assessment of P63.

## 7 IMPACT ON CORE AND OTHER INDUSTRY DOCUMENTS AND SUPPORTING ARRANGEMENTS

The Core Industry Documents and other relevant documents have all been assessed and the details of the impact (if any) are shown below.

### 7.1 Master Registration Agreement

Following review by the VAMG, MRA CP111 (Attachment 7) was submitted to MRASCo on 2 September 2002. MRA CP111 (Attachment 7) will be submitted for consideration by the MDB on 26 September 2002.

The changes required for the Proposed Modification cannot be achieved without the corresponding changes to the MRA. There is therefore a dependency that the changes to the MRA are agreed in order to enable implementation of the Proposed Modification solution. In the event that MRA CP111 (Attachment 7) is not approved by MDB, ELEXON would appeal the MDB decision and notify the Panel accordingly. The VAMG agreed to this approach.

### 7.2 Scottish Trading Arrangements

Modification Proposal P63 is a Modification to the Code affecting the arrangements governing the electricity market in England and Wales. P63 therefore, has no impact on the Settlement Agreement for Scotland (SAS). It should be noted however, that the SAS includes trading arrangements that are very similar to those included within Section S of the Code. If P63 were to be approved, SESL and the Scottish Modification Panel might well choose to consider whether a similar change should be made to the SAS. This would however, take place under the Scottish change control procedures, outwith the scope of the BSC.

## 8 IMPACT ON ELEXON

Minor impacts have been identified to ELEXON systems and process. The impacts identified to date are limited to:

Area of ELEXON	Cost
BSC Website Changes	£1,000 with an ongoing charge of no more than £500 per annum assuming that no more than three applications are made per annum.
BSC Website User Requirements Specification	£600
ELEXON Business Process Model	£1,200

A small amount of effort will be required from the ELEXON assurance department to create and maintain a spreadsheet, to be placed on the BSC Website, showing approved applications to

undertake a bulk CoA. It is not anticipated that this effort will be significant and will be part of the normal functions of the PAB secretariat.

This gives a total expected cost of £2,800 with an ongoing operational cost of £500 per annum to ensure that the data on the BSC Website is kept up to date.

In addressing the issue of costs and costs allocation, the VAMG had agreed that costs of executing the process should be borne by the initiating Party however the above development costs would be borne by all Parties on the grounds of efficiency.

## **9 IMPACT ON BSC PARTIES AND PARTY AGENTS**

Impact assessment responses are included within Annex 6 of this Assessment Report and were discussed at the VAMG meeting of 14 August 2002.

## **10 PROJECT BRIEF**

P63 impacts the Code and a number of Code Subsidiary Documents. The proposed changes to the Code are included in Attachment 1. All of the changes to the Code Subsidiary Documents have been drafted and are undergoing the BSCP40 'Change Management' process.

A Project Brief will be developed for the remaining changes required for the P63, these being:

- the BSC Website;
- Local Working Instructions;
- Business Process Model; and
- related ELEXON documents such as the BSC Website User Requirements Specification.

The changes required by the Project Brief will be developed on Authority approval of P63.

The suggested timescale for implementation of P63 is 20 Working Days following Authority approval of P63.

## **ANNEX 1 – TERMS OF REFERENCE**

The full Terms of Reference of the VAMG can be found on the Modification Groups page of the BSC Website at [www.elexon.co.uk/ta/modifications/mods\\_group.html](http://www.elexon.co.uk/ta/modifications/mods_group.html)

The specific terms that VAMG were tasked to address were to look at:

- the cost and cost allocation for P63;
- the impact of P63 on Data Accuracy; and
- a possible Alternative Modification to address Agent failure only.

## ANNEX 2 – P63 ASSESSMENT CONSULTATION 1 RESPONSES

Question 1. Please indicate the maximum number of Agent Appointment Instructions your organisation can deal with on any normal working day. Please separate your answers for each role you provide

Question 2. Please indicate how your response to Q1 would change in the event that the Change of Agent process were to be appropriately scheduled on a one-off basis for example to cater for Party Agent failure.

Due to the potentially commercial sensitivity surrounding the answers to the above questions, the VAMG agreed that it would not be appropriate to identify the respondents where they had provided information of this nature. The responses below therefore have the respondents identifying particulars removed where any commercially sensitive information had been supplied.

The responses within this Annex have been separated into each Party Agent type, SMRA and Supplier responses.

### P63 Assessment Consultation 1 – SMRA Responses

Role of Respondent	Supplier Meter Registration Agents	
	Questions	
Q1	Please indicate the maximum number of Agent Appointment Instructions your organisation can deal with on any normal working day. Please separate your answers for each role you provide	
<p><b>SMRA 1</b></p> <p>I would rather not detail any potential volume limit on processing bulk CoA flows. I would rather common sense prevail and that the initiating supplier liaise with both the appropriate agents and SMRS, as each potential bulk CoA has a different impact based upon its volume. Suppliers must recognise the service levels and associated liquidated damage payments surrounding MPAS.</p> <p>Subject to suitable advance notice, I believe any volume can be suitably managed. Any change can be entered into MPAS either in advance or retrospectively, therefore eliminating some of the issue.</p> <p>I also believe that the hub is the prime source of any potential bottleneck and not MPAS.</p>		
<p><b>SMRA 2</b></p> <p>It is impossible to specify a figure, since this depends entirely on which day of the week instructions are submitted and also on the number and mix (instruction types) of additional instructions submitted on that working day.</p>		
<p><b>SMRA 3</b></p> <p>7,500 is the processing capacity</p>		
<p><b>SMRA 4</b></p> <p>7,500 is the processing capacity</p>		

**SMRA 5**

The issue is not the total number of a particular type of transaction, rather it is the total volume of all transaction and the time taken to process them and return responses in the timescales allowed by the MRA. Theoretically we have batch time available on an average working night, to process an additional 5 - 5.5k of instructions without risk to service levels. (note: we have never run it to this level before so cannot speculate on any performance degradation that may occur during a really long batch run) These figures are very based on very simplistic calculations and are unproved.

**Q2**

**Please indicate how your response to Q1 would change in the event that the Change of Agent process were to be appropriately scheduled on a one-off basis for example to cater for Party Agent failure.**

**SMRA 1**

In such an event, there are several options available;

1. Weekend processing
2. Increased daytime volumes over normal business (subject to prior agreement).

Direct database updates (not our preferred option).

**SMRA 2**

It depends on which technique would be utilised. If the instructions were to be processed using the existing conventional method, then the answer to question one stands, although instructions received on a Friday have a much larger 'window' in which to be processed. MPRS could probably process around five times as many instructions during this window than in a weeknight batch process. This figure would increase over a Bank Holiday weekend.

**SMRA 3**

While it may be possible to increase capacity, it is likely that software changes would be required. An estimate is, therefore, not currently available.

**SMRA 4**

While it may be possible to increase capacity, it is likely that software changes would be required. An estimate is, therefore, not currently available.

**SMRA 5**

If a special weekend batch was run we would, theoretically, have time to process around 64k of additional instructions. (note: we have never run it to this level before so cannot speculate on any performance degradation that may occur during a really long batch run) These figures are very based on very simplistic calculations and are unproved.

**Additional comments** – The figures quoted are very based on very simplistic calculations and are unproved. Therefore this e mail and response does not constitute an offer to increase capacity or introduce additional batch runs, it is provided purely as input to the bulk COA debate.

If [name] PRS agent was requested to run close to it's capacity to facilitate change of agent, we would look to temporary suspension of the MRA obligations to complete total daily processesing by 06:00 as we could not guarentee this. In addition, if we were to be unable to open the MPAS enquiry services due to overrunning of the batch for these reasons we would want confirmation that there would be no comeback from Suppliers, Ofgem or Energywatch for the reduction in service.

In addition, we would expect a supplier to carry the full cost of any out of normal hours work or batch runs carried out to facilitate the bulk COA process.

**P63 Assessment Consultation 1 – Data Collector Responses**

Q1	Please indicate the maximum number of Agent Appointment Instructions your organisation can deal with on any normal working day. Please separate your answers for each role you provide	
<p><b>Data Collector 1</b></p> <p>Maximum of 10,000 mpans per night</p>		
<p><b>Data Collector 2</b></p> <p>The NHHDC system had an agreed limit with Accuread of 10,000 transfers per day because of the need for manual resolution of dirty data. The 20,000 limit is just an industry rule of thumb. If the data is clean, then DC can take any limit but it needs to be managed sensibly. We would recommend batch sizes of 100,000. Clearly Bulk CoAs could not be run during normal batch periods, so it would seem that these would have to be scheduled for weekends.</p>		
<p><b>Data Collector 3</b></p> <p>Based on our current processing schedules and past experience, our systems can process up to 5,000 appointment flows in a normal working day</p>		
<p><b>Data Collector 4</b></p> <p>500</p>		

<b>Data Collector 5</b>	
<p>The question is misleading as Agent Appointment instruction processing only represents a small proportion of the total CoDC transaction processing. The appointment flows can be handled in large volumes (100k per day). The process rate determining step is the volume of generation/processing of history instructions on Lose/Win, on any given process day. This is not necessarily directly related to the number of Agent Appointments processed on a calendar day, rather than the number of appointments processed for a settlement day – So for history flows: 10k per day with no advance notice.</p>	
<b>Q2</b>	<b>Please indicate how your response to Q1 would change in the event that the Change of Agent process were to be appropriately scheduled on a one-off basis for example to cater for Party Agent failure.</b>
<b>Data Collector 1</b>	
Maximum of 10,000 mpans per night	
<b>DC 2</b>	
No response to this part of the pro forma.	
<b>Data Collector 3</b>	
<p>We estimate that the current systems / processes could handle up to 15,000 appointments in a day if these were appropriately notified and scheduled. However, we cannot confirm whether this level of flows could be handled over an extended period.</p>	
<b>Data Collector 4</b>	
500	
<b>Data Collector 5</b>	
<p>The history generation issue is based on a finite processing speed, and in order to adhere to BSC Rules, all the history instructions have to be dealt with in a very short space of time. That said, with advance notice, we could vary the schedule and perhaps get near 30k per day, with agreement of a visible change in service delivery to all our other customers for any impacted period.</p>	

### P63 Assessment Consultation 1 – Data Aggregator Responses

<b>Q1</b>	<b>Please indicate the maximum number of Agent Appointment Instructions your organisation can deal with on any normal working day. Please separate your answers for each role you provide</b>	
<b>Data Aggregator 1</b>		
Maximum of 50,000		

<b>Data Aggregator 2</b>	
If the data is clean, then <b>DC</b> can take any limit but it needs to be managed sensibly. We would recommend batch sizes of 100,000. Clearly Bulk CoAs could not be run during normal batch periods, so it would seem that these would have to be scheduled for weekends. <b>The same situation would apply to DA which can take any limit, as it is wholly automatic.</b>	
<b>Data Aggregator 3</b>	
Based on our current processing schedules and past experience, our systems can process up to 5,000 appointment flows in a normal working day	
<b>Data Aggregator 4</b>	
500	
<b>Data Aggregator 5</b>	
100,000 per day with no advance notice – Based on the window between operations and aggregation	
<b>Q2</b>	<b>Please indicate how your response to Q1 would change in the event that the Change of Agent process were to be appropriately scheduled on a one-off basis for example to cater for Party Agent failure.</b>
<b>Data Aggregator 1</b>	
Maximum of 50,000	
<b>Data Aggregator 2</b>	
No response to this part of the pro forma.	
<b>Data Aggregator 3</b>	
ELEXON delivered system	
<b>Data Aggregator</b>	
500	
<b>Data Aggregator 5</b>	
1,000,000 per day with no advance notice – Based on a weekend to do a full refresh of approx 2 million instructions – Limited User Access for period and adjusted process schedule	

### **P63 Assessment Consultation 1 – Meter Operator Agent Responses**

<b>Q1</b>	<b>Please indicate the maximum number of Agent Appointment Instructions your organisation can deal with on any normal working day. Please separate your answers for each role you provide</b>	
<b>Meter Operator Agent 1</b> - It is impossible to say as It all depends on how the volumes are sent in the calendar day as to how many we can process. 10K each day with a greater amount on a weekend may be possible but has not been tested		



<b>Meter Operator Agent 2</b> – MOPs is largely manual and should only handle c.1,000 per day - it could take bulk but it would just sit there awaiting manual input.	
<b>Meter Operator Agent 3</b> Based on our current processing schedules and past experience, our systems can process up to 5,000 appointment flows in a normal working day	
<b>Meter Operator Agent 4</b> As with CoDC, 10k agent appointments but no CoMOA transactions currently taking place, so no figures exist for Meter Technical Details processing/generation.	
<b>CVA Meter Operator Agent</b> 1 or 2 power stations – depends on the metering systems to be taken on. Eg CCGT's relatively simple, coal fired power stations more complex.	
<b>Q2</b>	<b>Please indicate how your response to Q1 would change in the event that the Change of Agent process were to be appropriately scheduled on a one-off basis for example to cater for Party Agent failure.</b>
<b>Meter Operator Agent 1</b> Until we know which solution is intended for Change of Agent (DTN or not) to cater for Party Agent failure, it would be very difficult to quantify how many we can handle.	
<b>Meter Operator Agent 2</b> The same thinking applies to agent failure processes.	
<b>Meter Operator Agent 3</b> We estimate that the current systems / processes could handle up to 15,000 appointments in a day if these were appropriately notified and scheduled. However, we cannot confirm whether this level of flows could be handled over an extended period.	
<b>Meter Operator Agent 4</b> Answer does not change – still a question of history which is untested at high volumes.	
<b>CVA Meter Operator Agent</b> 1 or 2 power stations – depends on the metering systems to be taken on. Eg CCGT's relatively simple, coal fired power stations more complex.	

### P63 Assessment Consultation 1 – Supplier responses

<b>Q1</b>	<b>Please indicate the maximum number of Agent Appointment Instructions your organisation can deal with on any normal working day. Please separate your answers for each role you provide</b>
<b>Supplier 1</b> internal systems and processes are not currently constrained by the current limits on numbers of simultaneous transfers of supplier agent, and would only be impacted by limits in agent systems reached as a consequence of transfers by other suppliers.	

<p><b>Supplier 2</b> - Currently we have a full analysis of our own system constraints taking place and that will take a further week to obtain. However early indications show that there are no significant system constraints. We will be able to provide a full break down once the evaluation has been completed. We would require a managed approach with regard to Bulk CoA with a preference for outside normal working hours, for example at weekends or in the evenings</p>	
<p><b>Supplier 3</b> - Currently the maximum number of Agent Appointment Instructions we can manually process is 1500 a day. Our systems do not have an upper limit and if information is available will process everything automatically.</p>	
<p><b>Supplier 4</b></p> <p>System will currently handle the following volumes per day. Registrations (D0055's) – 5000, Appointments (D0153/D155's) 7500.</p>	
<p><b>Q2</b></p>	<p><b>Please indicate how your response to Q1 would change in the event that the Change of Agent process were to be appropriately scheduled on a one-off basis for example to cater for Party Agent failure.</b></p>
<p><b>Supplier 1</b> – See Q 1</p>	
<p><b>Supplier 2</b> – As above</p>	
<p><b>Supplier 3</b> - In the event of Party Agent failure, our limit is again 1500 a day, as we would have to manually process the Agent Appointments.</p>	
<p><b>Supplier 4</b> - A small increase in the above numbers may be possible with weekend and 24 hour support. It may be possible to invoke a manual or semi manual system to cope with higher numbers. However we would need a detailed explanation of the proposed process to enable us to assess if we could manipulate the data provided to set up the customers in our system.</p>	
<p>Supplier 5 comments</p> <p>To determine the volumes we not only need to know numbers of additional flows but also how those flows are 'packaged' and when they are received. Some of systems prefer to handle small numbers of large files rather than large numbers of small files. Similarly, bulk changes arriving early morning may be far more manageable that if they arrived late afternoon. We would be able to handle greater volumes at the weekend than in the week. For example, for NHH we could handle 9000 additional Change of Agent Notifications per day providing they were batched in large files and we received them early in the morning. For HH the number would be considerably reduced - about 1200. I assume Electralink has been approached regarding volumes for the DTN Gateway capacity.</p> <p>Two particular problems have been highlighted as a result of this assessment:-</p> <p>(i) How do we prevent more than one Supplier doing a 'bulk change of agent' at a time?</p> <p>(ii) In the case of Party Agent Failure would the appropriate date would be accessible?</p>	
<p><b>Other comments received (non Commercially Sensitive)</b></p>	

### **British Energy Response**

The objective of this proposal appears reasonable in principle, and it might promote competition in agent services by facilitating Bulk CoA of supplier agents by large suppliers.

However, system or process modification costs could be considerable, and demand for the service and risks associated with bulk changes of agent have yet to be established.

From evidence received so far, and in the absence of an analysis of costs, benefits and risks, British Energy do not believe this modification would better facilitate the BSC Objective of efficiency, and on balance do not support it.

Martin Mate

### **Innogy**

It is very difficult to provide meaningful answers to the questions posed, since the number that can be handled will depend heavily on the level of inconsistencies in the data (e.g. between MPAS, Supplier and Agent views) and also which Agents are being changed, i.e. whether it is MO, DC, DA or a combination of these (e.g. DC and DA). If you can clarify the assumptions we are supposed to be making, we may be able to provide some indicative numbers. Also, please can you confirm that our interpretation of the question as relating to only the 'New Agent' role(s) is correct.

The answer to Q2 depends on (inter alia) the extent to which the failure of the Agent was due to its inability to handle data flows correctly.

Richard Harrison  
Npower Finance – Commercial Services  
NETA & BSC Issues Manager

### ANNEX 3 – P63 ASSESSMENT CONSULTATION 2 RESPONSES

No	Company	File Number	No. Parties Represented
1.	East Midlands Electricity Distribution plc	P63_ASS2_001	1
2.	SEEBOARD Power Networks	P63_ASS2_002	1
3.	Northern Electric Distribution/Yorkshire Electricity Distribution	P63_ASS2_003	2
4.	LE Group Plc	P63_ASS2_004	6
5.	Western Power Distribution	P63_ASS2_005	2
6.	SEEBOARD Energy	P63_ASS2_006	1
7.	Scottish and Southern Energy	P63_ASS2_007	4
8.	Innogy	P63_ASS2_008	9
9.	British Gas Trading	P63_ASS2_009	1
10.	Aquila Networks (late response)	P63_ASS2_010	1
11.	SP Manweb plc/ SP Transmission Ltd (late response)	P63_ASS2_011	2
12.	Scottish Energy Retail Ltd/Scottish Power Trading Ltd/Scottish Power Generation Ltd. / SP Dataserve (late response)	P63_ASS2_012	4
13.	Powergen (late response)	P63_ASS2_013	4
14.	AccuRead (late response)	P63_ASS2_014	1
15.	TXU Energy	P63_ASS2_015	21

#### P63\_ASS2\_001 - East Midlands Electricity Distribution plc

<b>Respondent:</b>	Geoff Huckerby	
<b>Responding on Behalf of</b>	East Midlands Electricity Distribution plc	
<b>Role of Respondent</b>	PRS Agent/Distributor	
	<b>Questions</b>	<b>YES/NO</b>
Q1	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	NO
<p><b>Rationale:</b> We are not aware of any constraints existing within the BSC that would prevent the transfer of large volumes of Party Agents. If this is the case then the rationale for raising the modification is flawed.</p>		

Q2	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	NO
<b>Rationale:</b> This solution is not practicable, given our response to Q1 then this is not necessary. This proposed process is not a robust solution in terms of technology, procedures or process. Additionally, this would require a change to the MRA (we are not aware of an MCP having been raised for this)		
Q3	<b>If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?</b>	NO
<b>If you answered Yes to Q3 then please state proposed solution:</b>  We do not believe that the current baseline is defective. The solution is for affected Suppliers to agree a bilateral approach with each affected PRS Agent.		
Q4	<b>The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?</b>	NO
<b>Rationale:</b> Not sure what this means. What is the definition of 'relevant information'?		
Q5	<b>Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.</b>	NO
<b>Rationale:</b> Ofgem are still reviewing the Supplier of Last Resort processes. This is a more fundamental piece of work than this modification.		
Q6	<b>Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?</b>	N/A
<b>Rationale:</b> If a bilateral arrangement was in place this could be part of the discussions		
Q7	<b>Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.</b>	NO
<b>Rationale:</b> This is not a straightforward question and should wait until the outcome of Ofgem's SoLR review		
Q8	<b>Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.</b>	NO
<b>Rationale:</b> The proposed transfer by CD ROM is flawed and could impact on the Settlement process.		
Q9	<b>Do you have any further comments to make on P63?</b>	YES

**Please state your comments:**

This Modification was raised, based on the erroneous assumption that the BSC includes constraints on Change of Agent Processing. Given that it doesn't, and neither does any other governance document, we're unsure why this Mod has even continued to progress.

The VAMG issued a consultation document on this subject in March. It's our understanding that most Supplier Agents indicated in their responses that there were no significant processing constraints in their systems. I also believe that most MPAS providers responded along the lines that, although they did not wish to expose themselves to potential L.D.s by processing large numbers of CoA instructions on normal OWDs, they were prepared to undertake bulk processing over weekends by bi-lateral agreement. Again, that being the case, we're unsure why this Mod needs to progress.

The High Level Requirements Specification talks about:- changes to the way MPAS providers process CoA instructions (i.e. they would be sent and confirmed via CD-ROM rather than DTN); Qualification and Re-certification of Suppliers wishing to use the process; Application to Elexon by Suppliers wishing to undertake a Bulk CoA; changes to BSCPs; etc.

This Mod suggests MPAS Providers deviating from use of the DTN, which surely affects the MRA, yet this isn't mentioned.

We would like to see the business justification for the cost of progressing this change and also the evidence that the Industry requires this change.

At this stage we are not willing to support this proposal. In the event that the proposal is accepted then we will consider appealing the decision to Ofgem.

**P63\_ASS2\_002 – SEEBOARD Power Networks**

<b>Respondent:</b>	Bob Brennan	
<b>Responding on Behalf of</b>	Please list all Parties responding on behalf of (including the respondent company if relevant).  SEEBOARD Power Networks	
<b>Role of Respondent</b>	SMRA	
	<b>Questions</b>	<b>YES/NO</b>
<b>Q1</b>	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	<b>Yes</b>
<b>Rationale:</b> The potential impacts to settlements in the scenario of bulk CoA, particularly DA & DC is we believe warrant of a Modification.		
<b>Q2</b>	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	<b>No</b>

<p><b>Rationale:</b> We believe that there is an existing process to support CoA, and that it is upon this process bulk CoA should be expanded. All systems will handle CoA automatically, be it acceptance or rejection. By transferring the data via CD-ROM, we believe that the control is lost. What if the data is not correctly downloaded and applied? What about rejections? What about required by dates, these could be missed. There are too many potential issues with the CD-ROM option, and we believe puts more emphasis on us as a SMRA than the DTN approach.</p>		
Q3	<p><b>If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?</b></p>	Yes
<p><b>If you answered Yes to Q3 then please state proposed solution:</b> Use standard CoA processes via the DTN, where the initiating supplier has an agreement with the old and new hubs, and the SMRA on volume restrictions.</p>		
Q4	<p><b>The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?</b></p>	No
<p><b>Rationale:</b> All 1998 parties must have the obligation to maintain and retain relevant information within their systems. After all, there is no 'master' system for all data items, each party being a master of their own respective data.</p>		
Q5	<p><b>Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.</b></p>	No
<p><b>Rationale:</b> As per answer to no.3, a simple commercial agreement between initiating supplier, hubs and SMRA is sufficient.</p>		
Q6	<p><b>Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?</b></p>	Yes
<p><b>Rationale:</b> The answer lies to who benefits from the process, and that can only be the initiating supplier. Why should we as an SMRS be liable to any costs, when we see no benefit from the process.</p>		
Q7	<p><b>Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.</b></p>	Yes
<p><b>Rationale:</b> We believe that it is in the industry's interest that in this event, the quickest, easiest and cheapest solution is undertaken.</p>		
Q8	<p><b>Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.</b></p>	Yes
<p><b>Rationale:</b> Once the appropriate checks are in place, we believe the risk of deteriorating data entering settlements will be minimal.</p>		
Q9	<p><b>Do you have any further comments to make on P63?</b></p>	Yes

<b>Please state your comments:</b>	
1.	To confirm our stance on question 6, we intend to charge the initiating supplier full costs incurred by our SMRA to support a “a voluntary Supplier initiated Bulk CoA”. We are not prepared to accept or process any CD-ROM until the initiating supplier accepts our charges, which will be billed retrospectively.
2.	We will require a minimum of 4 weeks notice of any such Bulk CoA, and depending upon the volume of registrations requiring update, a time period of 2 weeks to apply the changes.

**P63\_ASS2\_003 – Northern Electric Distribution/Yorkshire Electricity Distribution**

<b>Respondent:</b>	Dave Young	
<b>Responding on Behalf of</b>	Northern Electric Distribution Ltd <u>and</u> Yorkshire Electricity Distribution plc	
<b>Role of Respondent</b>	SMRA & PDSO	
	<b>Questions</b>	<b>YES/NO</b>
Q1	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	No
<b>Rationale:</b> As identified in 1.1 (background & scope) there is no restriction within the BSC to prevent Bulk CoAs of party agents.		
Q2	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	No
<b>Rationale:</b> The current DTC process affords a robust solution, particularly within SMRA, and the BSC does not restrict volumes.		
Q3	<b>If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?</b>	No
<b>If you answered Yes to Q3 then please state proposed solution:</b> We do not believe that the current baseline is defective. There is nothing that prevents Suppliers and SMRAs agreeing sensible volumes and timescales in advance.		
Q4	<b>The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?</b>	No



<b>Rationale:</b> What is 'relevant information'?		
<b>Q5</b>	<b>Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.</b>	No
<b>Rationale:</b> The Supplier of Last Resort process should be resolved first.		
<b>Q6</b>	<b>Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?</b>	N/A
<b>Rationale:</b> If a bilateral agreement were put in place this would form part of the discussion.		
<b>Q7</b>	<b>Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.</b>	
<b>Rationale:</b>		
<b>Q8</b>	<b>Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.</b>	No
<b>Rationale:</b> The DTC route that is used every day is robust. We feel that the suggested method is not as robust as it involves parties undertaking non-routine work. Recent experience has shown that with the most careful of co-ordination things never go as smoothly as one may wish. Eg. The migration of a <u>single</u> metering point from SMRS to CMRS took an enormous amount of effort and correspondence!		
<b>Q9</b>	<b>Do you have any further comments to make on P63?</b>	No
<b>Please state your comments:</b>		

### P63\_ASS2\_004 – LE Group Plc

Parties, Party Agents and SMRAs are invited to provide their response on the questions below.

<b>Respondent:</b>	LE Group Plc	
<b>Responding on Behalf of</b>	Please list all Parties responding on behalf of (including the respondent company if relevant).  London Electricity Plc, SWEB Ltd, Jade Power Generation Ltd, Sutton Bridge Power Ltd, London Power Network Plc and Eastern Power Network Distribution Ltd.	
<b>Role of Respondent</b>	(Supplier/Data Collector/Data Aggregator/ Meter Operator Agent/SMRA/Other)  Supplier, NHHDC, NHHDA, MOA and SMRA	
	<b>Questions</b>	<b>YES/NO</b>
<b>Q1</b>	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	Yes
<b>Rationale:</b> The current BSCP process deals with CoA on an MPAN by MPAN basis, which could not be performed in a reasonable timescale via systems currently used for Bulk CoA.		

Q2	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	Yes
<b>Rationale:</b> Provides Suppliers and the applicable Agents with a process that is not constrained by the DTN and systems in current use. Although, further consideration should be given to SMRAs who seem content to use the DTN in performing Bulk CoAs.		
Q3	<b>If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?</b>	
<b>If you answered Yes to Q3 then please state proposed solution:</b>		
Q4	<b>The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?</b>	No
<b>Rationale:</b> The Supplier should be obliged to retain the data that it has compiled in a Bulk CoA for a certain period of time to help Agents in dealing with problems and as a backup copy. The retention could be limited to a set period (e.g. three months from completion of the process) or until x percentage of the appointment transfers have been agreed as successfully completed with the participating Agent(s).		
Q5	<b>Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.</b>	Yes
<b>Rationale:</b> When a Supplier makes arrangements for a Bulk CoA a fairly lengthy period of planning with participating Agents, highlighted in the assessment documentation, would be required. Agent failure timescales may not allow for robust planning and the resources required to be provided within the limited timeframe. The requirement of the Supplier to hold data that could be used for Bulk CoA better facilitates competition between Agents, by enabling the Supplier to perform a Bulk CoA more rapidly, and would increase the efficiency of the administration this BSC process in recovering from Agent failure.		
Q6	<b>Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?</b>	Yes
<b>Rationale:</b> Expense to Agents involved beyond normal operational costs should be borne by the Supplier initiating the process, as the additional resources, re-certification and greater working hours of the personnel involved would impact on the Agents business.		
Q7	<b>Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.</b>	No

<p><b>Rationale:</b> It is not reasonable to expect SMRAs to bear the expense of an Agent failure, beyond costs incurred in the change of appointment and processing affected MPANs registration details. They are part of a DSO who is external to the Supplier hub.</p>		
<b>Q8</b>	<p><b>Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.</b></p>	Yes
<p><b>Rationale:</b> Quality should not deteriorate provided the same validation procedures are followed as in normal CoA processing. However, much greater volumes of inaccurate data will be uncovered in performing a Bulk CoA that will require a period of intensive data cleansing to complete the transfer.</p>		
<b>Q9</b>	<p><b>Do you have any further comments to make on P63?</b></p>	
<p><b>Please state your comments:</b></p> <ol style="list-style-type: none"> <li>1. It would be wise to wait for the ELEXON initiative on the Supplier CoA process to be completed before this modification assessment is completed to ensure related issues in the normal process that are identified can be incorporated into this modification.</li> <li>2. The London Distribution SMRA has a strong preference to the use of the DTN in performing Bulk CoA, as it believes that SMRA areas will not be impacted to the same degree as a the newly appointed Agent(s) (due to their having much less of the total number of MPANs per Supplier than the national number of MPANS per Supplier).</li> <li>3. The provision of Liquidated Damages and compensatory payments should be wavered for Agents involved in processing Bulk CoAs for all MPANs involved.</li> <li>4. For both the Supplier initiated and Agent failure initiated Bulk CoA processes LE Group would like to see a detailed process, guidance notes on performing Bulk CoA and timetables for the process, which would be dependent on the number of MPANs involved in an individual bulk CoA.</li> <li>5. LE Group would like ELEXON to perform and to be involved in a walkthrough procedure prior to formalisation and implementation of the modification.</li> <li>6. LE Group would like to know the PAB criteria for allowing a Bulk CoA.</li> <li>7. LE Group would like assurance that ELEXON co-ordinate and is in agreement with the MRA.</li> <li>8. This modification might need to be implemented in the Gas market at the same time, for the same reasons, now that metering is open to competition.</li> <li>9. LE Group would like to be kept well consulted throughout all the stages of this modification prior to any implementation.</li> </ol>		

**P63\_ASS2\_005 – Western Power Distribution**

<b>Respondent:</b>	Dave Shattock
<b>Responding on Behalf of</b>	Western Power Distribution (South West) and Western Power Distribution (South Wales)
<b>Role of Respondent</b>	Meter Operator Agent SMRA

		Distribution Business
	Questions	YES/NO
Q1	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	No
<b>Rationale:</b> There are no limitations within the current Balancing and Settlement code that restrict the ability of parties to initiate bulk change of agent activities.		
Q2	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	No
<b>Rationale:</b> Existing procedures provide a tried and trusted method for change of agent. The proposal for a “big bang” transfer based on the use of CD-ROMs is a potentially high risk, high cost alternative to something that works well at the moment.		
Q3	<b>If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?</b>	No
<b>If you answered Yes to Q3 then please state proposed solution:</b> The current procedures adequately support the change of agent process.		
Q4	<b>The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?</b>	No
<b>Rationale:</b> Current Systems, procedures and data available to all parties already support the change of agent process.		
Q5	<b>Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.</b>	No
<b>Rationale:</b> The proposal seeks to amend a process which works at the moment. As such it has no positive impact on the BSC objectives.		
Q6	<b>Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?</b>	N/A
<b>Rationale:</b> Existing procedures provide an equitable allocation of costs associated with the change of agent process.		
Q7	<b>Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.</b>	N/A

<b>Rationale:</b> The issue can only be addressed following the completion of OFGEMs review of the "Supplier of Last Resort" process.		
<b>Q8</b>	<b>Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.</b>	No
<b>Rationale:</b> Existing processes provide a resilient and accurate method of data transfer between parties. The amount of work required to co-ordinate a one-off activity would far outweigh any potential benefits of such an approach.		
<b>Q9</b>	<b>Do you have any further comments to make on P63?</b>	Yes
<b>Please state your comments:</b> The Modification seeks to put in place a new set of activities for an area where existing processes are both effective and flexible. Parties are able, with sensible planning, to manage Bulk CoA of agents in a controlled and accurate manner.  As such WPD believe the modification should go no further.		

### P63\_ASS2\_006 – SEEBOARD Energy

<b>Respondent:</b>	Lucy Sanders	
<b>Responding on Behalf of</b>	SEEBOARD Energy	
<b>Role of Respondent</b>	Supplier	
	<b>Questions</b>	<b>YES/NO</b>
<b>Q1</b>	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	Yes
<b>Rationale:</b> To ensure that everyone is in agreement as to how this is done.		
<b>Q2</b>	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	NO
<b>Rationale:</b> Because of the problems involved with producing the CD ROM's. There could be a security risk in sending them.		
<b>Q3</b>	<b>If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?</b>	Yes

<b>If you answered Yes to Q3 then please state proposed solution:</b>		
Changes made to the DTC and an obligation to determine times when such transfers are undertaken.		
<b>Q4</b>	<b>The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?</b>	<b>No</b>
<b>Rationale:</b> With reference to 2.5.1 in Modification P063 Requirements Specification this information is always passed to suppliers and the supplier has a current obligation to maintain this information for a minimum of 3 years. It would seem therefore, that the supplier would have this information available for any Bulk CoA within this period. As such, this recommendation could be considered contradictory to current practice.		
<b>Q5</b>	<b>Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.</b>	<b>Yes</b>
<b>Rationale:</b> To ensure there is one process to handle all cases referred to in P63 documentation.		
<b>Q6</b>	<b>Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?</b>	<b>Yes</b>
<b>Rationale:</b>		
<b>Q7</b>	<b>Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.</b>	<b>Yes</b>
<b>Rationale:</b>		
<b>Q8</b>	<b>Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.</b>	<b>Yes</b>
<b>Rationale:</b>		
<b>Q9</b>	<b>Do you have any further comments to make on P63?</b>	<b>No</b>
<b>Please state your comments:</b>		

### **P63\_ASS2\_007 – Scottish and Southern Energy**

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

In relation to the Assessment Consultation 2 on Modification Proposal P63, contained in your note of 20th May 2002 and the nine questions posed, our comments on the questions are as follows:-

Q1

Do you believe that the issues of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?

**No. Rationale: There is nothing in the BSC that prevents the transfer of large volumes of MPANs between Party Agents.**

Q2

Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC objectives?

**No. Rationale: See Q1 above.**

Q3

If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?

**No**

If you answered Yes to Q3 then please state proposed solution:

**A solution already exists within the BSC.**

Q4

The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk Transfer of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?

Q5 Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives?

**No. Rationale: As Supplier of Last Resort has never been resolved how can Party Agent failure be resolved?**

Q6 Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?

**N/A**

Q7 Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents?

**N/A**

Q8 Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process?

**No Rationale: What is meant by appropriate checks? There is a greater risk to the quality of data if transfer is carried out using CD-ROM rather than the current DTC process.**

Q9 Do you have any further comments to make on P63?

**Problems have been identified with the current Change of Agent processes that are being addressed through the Agent Appointment Expert Group. It is not appropriate to introduce another mechanism for Change of Agent until the review has been completed. Once the problems with the current processes have been resolved it will be clearer whether there is a real need for a separate mechanism for bulk Change of Agent.**

Regards

Garth Graham, Scottish & Southern Energy plc

**P63\_ASS2\_008 – Innogy**

<b>Respondent:</b>	Terry Ballard	
<b>Responding on Behalf of</b>	Innogy plc, Innogy Cogen Ltd, Innogy Cogen Trading Ltd, Npower Ltd, Npower Direct Ltd, Npower Northern Ltd, Npower Northern Supply Ltd, Npower Yorkshire Ltd, and Npower Yorkshire Supply Ltd	
<b>Role of Respondent</b>	Supplier/Data Collector/Data Aggregator/ Meter Operator Agent/Other	
	<b>Questions</b>	<b>YES/NO</b>
<b>Q1</b>	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	<b>Yes</b>
<b>Rationale:</b> The current processes only support a change of Party Agent on a one-by-one basis. Therefore, the Industry is unable to switch to better performing agents for its customers quickly due to the current restrictions in place.		
<b>Q2</b>	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	<b>Yes</b>
<b>Rationale: (However, please also refer to Q3).</b> It will be much easier to deal with a bulk change of agent if all the data is received at the same time. This allows the new agent to process and update their system in the correct order and time scales. The amount of data received by the new agent will have to be sufficient enough to take on their responsibilities and produce accurate settlement data (i.e. the current requirements in BSCP504 for amount of data to be sent should suffice – but maybe with some extra clarification)		
<b>Q3</b>	<b>If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?</b>	
<b>If you answered Yes to Q3 then please state proposed solution:</b> We believe that more emphasis needs to be placed on proper testing of the processes, certification, and auditing.		
<b>Q4</b>	<b>The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?</b>	<b>Please see comments</b>



<p><b>Rationale:</b> Although we agree in principle, it is unclear how the process would work without the Supplier holding this information. For example, a supplier may unexpectedly find themselves in a position of initiating a bulk change of agent due to unforeseen agent failure.</p> <p>Therefore, a Supplier must be able to provide the data required to initiate a bulk change of agent, and send this info on to the new parties. (As a separate issue, on an agent failure this data may not be available for the failure party so there is more onus on the supplier to hold this data).</p>		
<b>Q5</b>	<p><b>Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.</b></p>	<b>No</b>
<p><b>Rationale:</b> This modification could be extended to accommodate agent failure as similar data is required, but a different process needs to be agreed i.e. the process should be quicker to complete in these circumstances. By ensuring that the Supplier holds enough data, it would allow the Supplier to send this information on to the new agent, therefore placing no reliance on the failed agent.</p>		
<b>Q6</b>	<p><b>Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?</b></p>	<b>Qualified Yes</b>
<p><b>Rationale:</b> This should not include costs of elements also required for Agent failure. Division of costs between a Supplier and its Party Agents is a commercial matter that lies outside the BSC.</p>		
<b>Q7</b>	<p><b>Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.</b></p>	<b>Please see comments</b>
<p><b>Rationale:</b> We would wish to seek additional information before we can answer this question, i.e. what the costs actually relate to. Unavoidable (minimum) systems costs related to Old Agent roles and central systems should be paid for by the Industry (BSC Parties).</p>		
<b>Q8</b>	<p><b>Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.</b></p>	<b>Yes</b>
<p><b>Rationale:</b> Although we agree, we would like to see further details of these 'appropriate checks' and testing that needs to be undertaken, as mentioned in the high level requirement specification document. Different agents have different validation checks when processing data flows relating to applying change of agent (e.g. D155, D148, D152 etc). Therefore, data that is valid on the old agents system may not be so on the new agents, delays can occur in resolving these exceptions and setting the up the MPAN on the new party's system. An assessment of this can be obtained before the 'live' process by carrying out a trial run (as pointed out in section 2.4.2 in the High Level Requirement Spec).</p>		
<b>Q9</b>	<p><b>Do you have any further comments to make on P63?</b></p>	<b>Yes</b>

Please state your comments:

- The Requirement Specification document describes the process of passing all metering information by a CD-ROM, then for agents to create output files by way of confirmation. It would normally take agents several days to process all the relevant dataflows, therefore under the present climate, agents may struggle with the increased volumes.

It may be necessary to use an alternative format, with data content remaining unchanged, to ensure efficient processing of the information.

- The amount of history to be sent must be more clearly specified/defined in the BSCP. In section 2.5.1 of the High Level Requirement Specification the meter reading and EAC/AA history specified under point 4 is insufficient. Any meter readings sent MUST ALSO have their associated AA and EAC sent with the reading.
- If a Supplier is sending data from their system, this may result in old data being sent to the new party e.g. MOP change a meter but before Supplier receives the D149 and D150, the Supplier send their existing (now old) meter details on to the new NHHDC. Likewise for meter readings and AA/EACs being sent to the new NHHDC which are not the most recent. Even if the Supplier collates the information from MOP and old NHHDC, by the time this data is actually send and processed by the new NHHDC it may be out of date

## **P63\_ASS2\_009 – British Gas Trading**

Thank you for the opportunity of responding to this second Assessment Consultation on P63. British Gas would like to highlight some other areas out of the consultation not mentioned in the assessment proforma that is also attached.

### **Page 5 Paragraph 1.**

We would like to understand the rationale behind the comment of the group in regard to “commercial arrangements within each SMRA”. VAMG were fully aware of the SMRA’s reluctance to provide little or no information regarding volumetric capacity of their systems in relation to this modification. Had SMRAs been more forthcoming and published this information, then the opportunity to discuss commercial arrangements would be possible. Additionally, the SMRA could stipulate an arbitrarily low transaction volume could be utilised at weekends. This would not address Bulk CoA and lead to lengthy termination of contracts that could take years to complete. If an SMRA and Supplier cannot agree commercial arrangements there is no other SMRA or any alternative Party a Supplier could approach. We believe strongly that OFGEM should ensure that all SMRAs publish their volumes to enable a more competitive environment to be achieved and that they evaluate whether SMRS have strive towards the MRA obligation to increase there ability to transfer date according to the industry.

### **Page 5 paragraph 2**

Further investigation into SoLR is required, particularly the use of qualified hubs where there may be multiple Suppliers wishing to simultaneously change agents in same areas. A strategy is required to ensure that there would be no complication, particularly in volumes to ensure that SoLR would always be available.

### **Page 6 2.2**

To ensure Data Cleansing is carried out in a methodical way, the set criteria used when sending the data needs to be captured. We believe that an Agent transferring information should not transfer without considering:

1. The Importance of up-to-date data;

2. That there should be no missing Data Items
3. That there should be no cyclical meter reads carried out 7days prior to implementation;
4. That there should be no planned MO work outstanding;
5. That emergency MO work, which would need to go ahead, would require an exception process to be developed.

**Page 9 2.4.2**

Data Cleansing should be carried out prior to PAB approval. If a specific SMRS area exhibits poor quality data, it should be at PAB's discretion to allow other areas to proceed to Bulk CoA.

**Page 9 2.5.3**

The Old Agent should not be de-appointed until confirmation has been received from the New Agent that the data on the CD-ROM has been successfully loaded and validated. This will ensure that there is no added risk to settlement.

**Page 10 3.2**

We believe that it may effect BSCP 502 and 503 as well.

**Page 11 Annex 1**

We would like clarification on a) in regard to ...stating that 'all' liabilities for completing this process successfully lie with that of the supplier. We are a little uncomfortable with the word all primarily because there may, for example, be Liquidated Damages that apply in some circumstances. These will need to be further explored at the next VAMG meeting.

**High Level Requirements Specification**

It is important that a specific route map with quality gates assigned is developed for Bulk Change of Agent to ensure that all back ups have been covered.

Attached are the Modification proforma and our responses as requested. Should you require any further clarification please feel free to contact me directly.

Yours faithfully

Andrew Latham, Account Manager

<b>Respondent:</b>	<b>Andrew Latham</b>	
<b>Responding on Behalf of</b>	<b>British Gas Trading</b>	
<b>Role of Respondent</b>	<b>Supplier</b>	
	<b>Questions</b>	<b>YES/NO</b>
<b>Q1</b>	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	<b>Yes</b>
<p><b>Rationale:</b> We believe that this is a fundamental and intricate issue that was not addressed by the BSC when originally written. As competition has developed the need to have a more flexible and dynamic approach is required. The BSC therefore needs to permit the timely transfer of Party Agents. This is of particular relevance at contract renewal. If this is not achieved then contract negotiation will face legal and contractual issues, especially if it were to take years to complete a transfer.</p>		

Q2	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	Yes
<b>Rationale:</b> CD-ROM a medium already used to transfer other data in the industry. In the MRA a contingency of using DAT tape is specified and for the Year 2002 the use of the CD-ROM was the preferred route. Therefore it is the logical and perhaps the easiest way forward. In addition, data quality would be safeguarded.		
Q3	<b>If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?</b>	N/A
<b>If you answered Yes to Q3 then please state proposed solution:</b>		
Q4	<b>The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?</b>	Yes
<b>Rationale:</b>		
Q5	<b>Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.</b>	Yes
<b>Rationale:</b>		
Q6	<b>Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?</b>	Please see attached letter.
<b>Rationale:</b>		
Q7	<b>Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.</b>	Yes
<b>Rationale:</b> We believe that all Parties have a duty where a particular party agent fails. The impact on settlement here is fundamental to the stability of the market place and as such all parties should bear the costs.		
Q8	<b>Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.</b>	Yes
<b>Rationale:</b> As highlighted previously the use of CD-ROM in capturing a snapshot of time from one Party Agent to another settlement data will not deteriorate.		

<b>Q9</b>	<b>Do you have any further comments to make on P63?</b>	<b>Please see attached letter.</b>
<b>Please state your comments:</b>		

**P63\_ASS2\_010 – Aquila Networks (late response)**

<b>Respondent:</b>	Sue Pritchard	
<b>Responding on Behalf of</b>	Aquila Networks plc (formerly GPU Power Networks (UK) plc Metering Services Ltd	
<b>Role of Respondent</b>	MPAS Data Collector; Meter Operator Agent	
	<b>Questions</b>	<b>YES/NO</b>
<b>Q1</b>	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	NO
<b>Rationale:</b> There are no constraints existing within the BSC that would prevent the transfer of large volumes of Party Agents.		
<b>Q2</b>	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	NO
<b>Rationale:</b> There are no constraints existing within the BSC that would prevent the transfer of large volumes of Party Agents.		
<b>Q3</b>	<b>If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?</b>	NO
<b>If you answered Yes to Q3 then please state proposed solution:</b>		
<p>No change to BSCPs is necessary. Suppliers need only agree sensible transfer volumes and timescales in advance with each relevant MPAS Service Provider.</p> <p>The development time and cost required to deal with the receipt of this information via CD-Rom is excessive for a situation that would occur very rarely – MSL would only undertake the development work when the situation arose and then only where these costs might be directly recoverable.</p>		

Q4	<b>The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?</b>	
<b>Rationale:</b> If this process were to be implemented, a backup of the information would need to be retained somewhere (possibly within the suppliers systems) as a contingency measure to mitigate against the loss or damage of the CD-Rom and the data contained within it. There would also be a need to provide a clear audit trail to support the process and this could not be achieved without this data being kept by the supplier.		
Q5	<b>Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.</b>	
<b>Rationale:</b> No. Bulk CoA of failing Supplier registrations was never resolved. This should take precedence over Bulk CoA of Agents.		
Q6	<b>Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?</b>	YES
<b>Rationale:</b> It would be unfair to expect Supplier agents to bear the cost of a Supplier initiated change.		
Q7	<b>Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.</b>	NO
<b>Rationale:</b> MPAS Service Providers will not benefit from a change of Supplier Agents, so would not be prepared to bear any associated costs.  Provided the split was fair, costs could be shared amongst other parties, but primarily any cost should be borne by both those that will profit from the failure and those who are at greatest risk because of the failure.		
Q8	<b>Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.</b>	NO
<b>Rationale:</b> The accuracy might not deteriorate in the case of 'voluntary' changes, but this could not be guaranteed in the case of failures as the database of the failed agents may be compromised in some way.		
Q9	<b>Do you have any further comments to make on P63?</b>	YES

**Please state your comments:**

This Modification was raised, based on the erroneous assumption that the BSC includes constraints on Change of Agent Processing. Given that it doesn't, and neither does any other governance document, we're unsure why this Mod has even continued to progress.

The VAMG issued a consultation document on this subject in March. It's our understanding that most Supplier Agents indicated in their responses that there were no significant processing constraints in their systems. I also believe that most MPAS providers responded along the lines that, although they did not wish to expose themselves to potential L.D.s by processing large numbers of CoA instructions on normal OWDs, they were prepared to undertake bulk processing over weekends by bi-lateral agreement. Again, that being the case, we're unsure why this Mod needs to progress.

The High Level Requirements Specification talks about:- changes to the way MPAS providers process CoA instructions (i.e. they would be sent and confirmed via CD-ROM rather than DTN); Qualification and Re-certification of Suppliers wishing to use the process; Application to Elexon by Suppliers wishing to undertake a Bulk CoA; changes to BSCPs; etc.

This Mod suggests MPAS Providers deviating from use of the DTN, which surely affects the MRA, yet this isn't mentioned.

We would like to see the business justification for the cost of progressing this change and also the evidence that the Industry requires this change.

**P63\_ASS2\_011 - SP Manweb plc/ SP Transmission Ltd (late response)**

<b>Respondent:</b>	Man Kwong Liu	
<b>Responding on Behalf of</b>	Please list all Parties responding on behalf of (including the respondent company if relevant). SP Manweb plc/ SP Transmission Ltd	
<b>Role of Respondent</b>	(Supplier/Data Collector/Data Aggregator/ Meter Operator Agent/SMRA/Other) SMRA	
	<b>Questions</b>	<b>YES/NO</b>
<b>Q1</b>	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	No.
<b>Rationale:</b> The BSC does not preclude Bulk CoAs.		
<b>Q2</b>	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	No.
<b>Rationale:</b> This would introduce too many variables e.g. different systems and file formats. Also, in all probability, the data would be out of date by the time the CD is received. The DTN is the only method that both provides an audit trail and ensures that the data remains contemporary.		

Q3	<b>If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?</b>	No.
<b>If you answered Yes to Q3 then please state proposed solution:</b> The existing process should be utilised in all cases.		
Q4	<b>The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?</b>	Yes.
<b>Rationale:</b> As at present, the relevant information should be retained by the outgoing agent, with the supplier merely adopting a co-ordinating role to ensure that the data is clean and fit for purpose.		
Q5	<b>Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.</b>	No.
<b>Rationale:</b> Something could be written into the BSC for cases of party agent failure, but the process should adhere to the normal CoA process.		
Q6	<b>Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?</b>	Yes.
<b>Rationale:</b> The initiating supplier must meet any additional costs. For the avoidance of doubt the SMRA costs would include redeployment of staff, procurement of additional resources and, perhaps most significantly, system changes. These system changes might be associated with the processing of an Agent Change CD, changes to validation routines, the inhibition of DTN flows or with MPANs which perhaps have pending changes or objections or have changed supplier.		
Q7	<b>Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.</b>	No.
<b>Rationale:</b> The suppliers and where possible, the agents should bear all the costs, including any additional costs incurred by the SMRAs.		
Q8	<b>Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.</b>	Depends on the process.
<b>Rationale:</b> The accuracy of data should remain unaffected if the existing process were used for larger volumes. However it may be compromised if the wrong solution were implemented.		
Q9	<b>Do you have any further comments to make on P63?</b>	Yes
<p><b>Please state your comments:</b></p> <p>The introduction of changes proposed under P63 represent a major risk to the stability of the settlement processes, a poorly thought out solution with far reaching implications - this should not be supported. Development of existing processes and transfer mechanisms must remain the way forward.</p>		



**P63\_ASS2\_012 - Scottish Energy Retail Ltd/Scottish Power Trading Ltd/Scottish Power Generation Ltd. / SP Dataserve (late response)**

<b>Respondent:</b>	James Nixon	
<b>Responding on Behalf of</b>	Please list all Parties responding on behalf of (including the respondent company if relevant). Scottish Energy Retail Ltd/Scottish Power Trading Ltd/Scottish Power Generation Ltd. / SP Dataserve	
<b>Role of Respondent</b>	(Supplier/Data Collector/Data Aggregator/ Meter Operator Agent/SMRA/Other) Supplier/Data Collector/Data Aggregator/ Meter Operator Agent/Other	
	<b>Questions</b>	<b>YES/NO</b>
Q1	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	No.
<b>Rationale:</b> The BSC does not preclude Bulk CoAs. We are not convinced that a more effective process can be developed or that a modification is necessary.		
Q2	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	No.
<b>Rationale:</b> This would introduce too many variables e.g. different systems and file formats. Also, in all probability, the data would be out of date by the time the CD is received. The DTN is the only method that both provides an audit trail and ensures that the data remains contemporary.		
Q3	<b>If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?</b>	No.
<b>If you answered Yes to Q3 then please state proposed solution:</b> The existing process should be utilised in all cases.		
Q4	<b>The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?</b>	Yes.
<b>Rationale:</b> In this case there need be no change from whichever organisation holds the data now, assuming the outgoing agent will co-operate with the transfer process. However, this doesn't adequately address a case of agent failure.		
Q5	<b>Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.</b>	Yes.
<b>Rationale:</b> Something could be written into the BSC for cases of party agent failure, but the process should adhere to the normal CoA process as far as possible, with the Supplier providing the data instead of the failed agent.		

<b>Q6</b>	<b>Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?</b>	Yes.
<b>Rationale:</b> Other Parties should not bear the costs of the initiating Supplier's own commercial decisions.		
<b>Q7</b>	<b>Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.</b>	No.
<b>Rationale:</b> A mechanism similar to the SoLR arrangements might be more appropriate, whereby the gaining Supplier and Agent(s) could make a representation for "reasonable" costs to Ofgem, who could direct Elexon to recover any agreed proportion from all Parties.		
<b>Q8</b>	<b>Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.</b>	Depends on the process.
<b>Rationale:</b> The accuracy of data should remain unaffected if the existing process were used for larger volumes. However it may be compromised if the wrong solution were implemented.		
<b>Q9</b>	<b>Do you have any further comments to make on P63?</b>	<b>None</b>
<b>Please state your comments:</b>  Other initiatives, currently being progressed, would seek to further examine the change of agent / supplier processes with a view to developing possible alternatives. We would suggest that the whole agent failure / Bulk CoA issue would be better addressed through this initiative than through P63.		

### **P63\_ASS2\_013 – Powergen (late response)**

<b>Respondent:</b>	Afroze Miah	
<b>Responding on Behalf of</b>	Powergen UK plc, Powergen Retail Limited, Diamond Power Generation Limited and Cottam Development Centre Limited	
<b>Role of Respondent</b>	Supplier	
	<b>Questions</b>	<b>YES/NO</b>
<b>Q1</b>	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	Yes
<b>Rationale:</b>  To be effective the process needs to be structured and proceduralised. There also needs to be changes to the MRA in parallel. The Agent Transfer process needs to be managed within the MRA.		

Q2	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	Yes
<b>Rationale:</b> It would seem to be a practical solution for the transfer of bulk data in restricted timescales to meet the BSC requirements. However, it could represent a significant impact on suppliers' and Agents' current registration systems and processes.		
Q3	<b>If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?</b>	-
<b>If you answered Yes to Q3 then please state proposed solution:</b> -		
Q4	<b>The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?</b>	Yes
<b>Rationale:</b> This maintains the existing principle of Agent to Agent information transfer / flows.		
Q5	<b>Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.</b>	Yes
<b>Rationale:</b> In principle it will achieve this. But we need a better understanding of the proposed solution and a better understanding of the impact on our systems.		
Q6	<b>Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?</b>	Yes
<b>Rationale:</b> It would seem unreasonable that all Parties should pay where a single Supplier benefits. Therefore the initiating supplier should bear the costs where the transfer is for commercial benefit.		
Q7	<b>Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents?</b>	No

<b>Rationale:</b>		
Strictly speaking it should be No as this is a commercial risk. The costs should only be borne by the effected parties. However, we realise that such an event will effect everyone who is a NHH Supplier. There is an incentive therefore on all Parties to ensure the new Agent is appointed quickly and, it may as a result be the case that the costs should be picked up by the industry.		
<b>Q8</b>	<b>Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.</b>	Yes
<b>Rationale:</b>		
Provided that the necessary controls are in place and the process is robust there should be no deterioration in data quality.		
<b>Q9</b>	<b>Do you have any further comments to make on P63?</b>	
<b>Please state your comments:</b>		
While the principles appear sound, without a detailed impact assessment on both suppliers' and Agents' registration systems, it is difficult to assess the full consequences on this modification proposal.		

**P63\_ASS2\_014 – AccuRead (late response)**

<b>Respondent:</b>	AccuRead Ltd	
<b>Responding on Behalf of</b>	Please list all Parties responding on behalf of (including the respondent company if relevant).	
<b>Role of Respondent</b>	(Supplier/Data Collector/Data Aggregator/ Meter Operator Agent/SMRA/Other) Data Collector and Data Aggregator	
	<b>Questions</b>	<b>YES/NO</b>
<b>Q1</b>	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	<b>YES</b>
<b>Rationale:</b> Such an important issue needs to be covered by agreement of all BSC parties.		
<b>Q2</b>	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	<b>YES</b>
<b>Rationale:</b> The provision of data by CD-ROM offers a reasonably quick and easy solution.		

Q3	If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?	Not applicable
If you answered Yes to Q3 then please state proposed solution:		
Q4	The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?	NO
Rationale: In the case of having to resubmit data it is essential that data can be backed up and restored.		
Q5	Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.	NO
Rationale: We are not convinced the alternative would facilitate the transfer of data quickly enough.		
Q6	Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?	YES
Rationale: The commercial agreements should be subject to agreement between the suppliers and agents.		
Q7	Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.	NO
Rationale: The risk should be covered by the suppliers concerned, perhaps by insurance. Not all parties are affected therefore they should not share this risk.		
Q8	Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.	YES
Rationale: There should be a dependency on the work of the CoA expert group.		
Q9	Do you have any further comments to make on P63?	
Please state your comments:		

### P63\_ASS2\_015 – TXU Energy

Respondent:	Phil Russell
Responding	21 TXU BSC Parties

<b>on Behalf of</b>		
<b>Role of Respondent</b>	Supplier	
	<b>Questions</b>	
<b>Q1</b>	<b>Do you believe that the issue of Bulk CoA of Party Agents needs to be addressed by a Modification to the Balancing and Settlement Code?</b>	Yes
<b>Rationale:</b> It is necessary to provide a practical means of implementing commercial arrangements between Suppliers and their Agents.		
<b>Q2</b>	<b>Do you believe that the implementation of the solution discussed by the Volume Allocation Modification Group (i.e. data transmission by CD-ROM), as outlined within the attached High Level Requirements Specification, better facilitates the achievement of the Applicable BSC Objectives?</b>	Yes
<b>Rationale:</b> By facilitating change of Agent in Bulk, it would better achieve competition in the Supply of electricity.		
<b>Q3</b>	<b>If the answer to Q2 is No, do you believe that any other solution could be developed within the relevant Balancing and Settlement Code Procedures to better facilitate the Applicable BSC Objectives to address the defect identified by Modification Proposal P63?</b>	
<b>If you answered Yes to Q3 then please state proposed solution:</b>		
<b>Q4</b>	<b>The Volume Allocation Modification Group recommended that, in the case of a voluntary Supplier initiated Bulk CoA of Party Agents, there should be no obligation on the Supplier to retain the relevant information within their own systems that would be required to initiate such a Bulk CoA. Do you agree with this recommendation?</b>	Yes
<b>Rationale:</b> This leaves the current process unchanged but speeds up the timescales.		
<b>Q5</b>	<b>Do you believe an Alternative Modification addressing Party Agent failure as described in the attached Consultation Document better facilitates the achievement of the Applicable BSC Objectives.</b>	Yes
<b>Rationale:</b>		
<b>Q6</b>	<b>Do you agree that in the case of a voluntary Supplier initiated Bulk CoA that the costs should be borne by the initiating Supplier?</b>	Yes
<b>Rationale:</b> Because the costs are incurred as a result of the Supplier's request.		
<b>Q7</b>	<b>Do you agree that in the case of Party Agent Failure, costs should be borne by Parties, SMRAs and Party Agents.</b>	No
<b>Rationale:</b> If the Party Agent has gone bust it is difficult to see them paying. SMRAs are unlikely to want to pay as they just process data – it has to be the Suppliers.		

Q8	<b>Do you agree with the view of the Modification Group that, provided the appropriate checks were put in place, the accuracy of data entering Settlement will not deteriorate as a result of executing a Bulk CoA process.</b>	Yes
<p><b>Rationale:</b> By definition, they have a set of data now (which quality wise may be good, bad or indifferent), P63 of itself will not change the quality, only the speed with which it percolates through the rest of the processes.</p>		
Q9	<b>Do you have any further comments to make on P63?</b>	Yes
<p><b>Please state your comments:</b> Whilst we welcome the high level requirements specification there are a number of areas where we believe further detail and/or clarification is required before any such Bulk CoA Process could be realistically implemented.</p>		

## ANNEX 4 – P63 ASSESSMENT CONSULTATION 3 RESPONSES

No	Company	File Number	No. Parties Represented
1.	Electricity Direct	P63_ASS3_001	1
2.	TXU Energy	P63_ASS3_002	21
3.	AccuRead	P63_ASS3_003	1
4.	SEEBOARD Energy	P63_ASS3_004	1
5.	Innogy/ Npower	P63_ASS3_005	9
6.	LE Group Supply	P63_ASS3_006	1
7.	Aquila Networks	P63_ASS3_007	2
8.	Western Power Distribution	P63_ASS3_008	2
9.	SEEBOARD Power Networks	P63_ASS3_009	1
10.	LE Group	P63_ASS3_010	7
11.	Scottish and Southern	P63_ASS3_011	4
12.	British Gas	P63_ASS3_012	1
13.	SP Transmission/SP Manweb ( <b>late response – received after Mods Group discussion of consultation responses</b> )	P63_ASS3_013	2
14.	Scottish Power Energy Retail ( <b>late response – received after Mods Group discussion of consultation responses</b> )	P63_ASS3_014	1



**P63\_ASS3\_001 – Electricity Direct**

<b>Respondent:</b>	Gareth Swales		
<b>Responding on Behalf of</b>	Electricity Direct (UK) Limited		
<b>Role of Respondent</b>	Supplier		
	<b>Questions</b>	<b>YES/NO</b>	
Q1	Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?	Yes	
<b>Rationale:</b>			
Q2	Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.	Yes	
<b>Rationale:</b>			
Q3	At what level to you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.	LEVEL SMRA – 1000 Aggregate -	
<b>Rationale:</b> This figure is really dependent on the different SMRA systems and what volumes they can deal with. However, as this process will affect the processing for other suppliers we believe that a level of no more than 1000 metering systems per SMRA should be set.			
Q4	Do you agree with the principles outlined for inclusion within the MRA?	Yes	
Q5	In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.	<b>Date</b>	<b>Preferred Yes/No</b>
		Quarter 4 2002	
		Quarter 1 2003	
		Quarter 2 2003	
		Quarter 3 2003	Yes

		Quarter 4 2003	
<b>Rationale:</b>			
Q6	<p>The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.</p> <p>Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.</p>		No
Q7	Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?		Yes
Q8	Do you have any comments to make on the attached draft legal text for P63?		No
Please provide comments:			
Q9	Do you have any further comments to make on P63?		No
Please state your comments:			

**P63\_ASS3\_002 – TXU Energy**

<b>Respondent:</b>	Terry Marquand		
<b>Responding on Behalf of</b>	21 BSC Parties		
<b>Role of Respondent</b>	Supplier		
	<b>Questions</b>	<b>YES/NO</b>	
Q1	Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?	Y	

<b>Rationale:</b> Combination of proven processes and prudence regarding volumes. The use of existing processes and flows means that audit requirements are covered without further ado.			
Q2	Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.	Y	
<b>Rationale:</b> The greater the volume, the greater the number of problems in transferring data.			
Q3	At what level to you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.	<b>LEVEL</b> <b>SMRA – 20,000</b> <b>Aggregate – 75,000</b>	
<b>Rationale:</b> Thresholds should also have been considered for DCs and MOAs.			
Q4	Do you agree with the principles outlined for inclusion within the MRA?	See Q7	
Q5	In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.	<b>Date</b> Quarter 4 2002 Quarter 1 2003 Quarter 2 2003 Quarter 3 2003 Quarter 4 2003	<b>Preferred Yes/No</b>   Y   
<b>Rationale:</b> To allow time to prepare for new procedures. Lack of clarity re obligations on Suppliers to retain additional data (see Q6) could move this date further into the future.			
Q6	The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.  Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.	Y	

<p>It is not clear from the P63 documentation what additional data Suppliers are obliged to retain for the event of Agent Failure. This is very concerning, and we are not aware of any debate on this key issue.</p> <p>Our suggested solution to Agent Failure would be for an "Agent of Last Resort" to take over responsibility for the failed Agent's MPID in the rôle code in which it has failed. This would be totally distinct from the P63 Bulk CoA solution.</p>		
<b>Q7</b>	<b>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?</b>	Yes – as far as they go.
<p>It is noted that the question of medium for Bulk CoAs is left outstanding. This is not appropriate in terms of the MRA. Schedule 3 of the MRA defines the DTN as the medium for data flows (such as D0205) into and out of MPAS.</p>		
<b>Q8</b>	<b>Do you have any comments to make on the attached draft legal text for P63?</b>	No
<p><b>Please provide comments:</b></p>		
<b>Q9</b>	<b>Do you have any further comments to make on P63?</b>	Yes
<p><b>Please state your comments:</b></p> <p>(i) How and where are the threshold figures agreed by PAB to be published? These thresholds need full visibility to the industry.</p> <p>(ii) We feel that the applicant should be obliged to inform PAB when a Bulk CoA has been completed, to close the loop.</p>		

### **P63\_ASS3\_003 – AccuRead**

Modification Proposal P63 is a necessary and logical extension to both the Change of Agent and De-accreditation processes and, in extreme situations, to Bulk CoA MPANs from defaulting companies (e.g. Enron). It also allows the successful operation of a competitive marketplace and is thought to be to AccuRead's advantage.

However, whilst the basic proposal is well thought out and clear, there are a number of details which AccuRead believes should be clearly understood and tested before such Bulk CoA of MPANs is undertaken.

\* Cleanliness of transferred data - If the "key" data flows ( D0155 / D0148 / D0149 / D0150 / D0152 / D0010 ) are to be produced by the Supplier and sent to the new agent as part of Bulk Change of Agent transfer, the Supplier must take responsibility for data quality. In such a situation, who would the agent refer back to when trying to clear data problems? If it is the supplier, who in turn would the supplier refer back to? AccuRead believes that if all the flows are not "clean" then the appointment should be rejected.

\* Simultaneous updating of databases - The Bulk CoA of MPANs from one (or more) agent to another requires the "simultaneous" updating of databases in two (or more) locations. Failure to achieve this could lead to more than one agent continuing to read the meter and potentially two agents

aggregating for the same MPAN or conversely an MPAN which has no DC or DA agent - effectively a gap in history.

\* Processing Capacity - A concomitant part of the simultaneous updating of databases is ensuring that the affected agents can process the same number of flows within a given period. Whilst the new agent will be committed to increasing resource to cover an increase in take-on rate, an agent losing such bulk numbers of MPANs is less likely to recruit additional resource to cope. Will the PAB penalise the old agent in this event?

\* Testing of the Bulk CoA process - The Bulk CoA must be rigorously tested before the PAB is approached to sanction such transfer. This will give both PAB and the agents involved a level of confidence in the data being transferred. In the long term, AccuRead believes that the whole industry must systematically cleanse the data it holds but in the short term a cautious approach is needed.

AccuRead believes that a stepped approach should be used, increasing volumes on a particular Bulk CoA in steps on agreed dates until the required volumes are achieved and the processes needed to support such bulk transfer (e.g. resolution of anomalies, provision of missing data, etc.) are proven.

\* Suppression of Outgoing flows - If the Bulk CoA of MPANs is to be achieved successfully, then it is presumed that the flows will be sent via a different medium than the DTN. It is known that, for some agents, the release of the D0010 and D0152 flows is triggered by the receipt of the D0151 de-appointment flow. Hence large levels of de-appointment for a particular agent would create large flows which could reduce the effectiveness of the DTN and cause the receiving agent problems with duplicate data. A similar situation is caused on appointment due to the creation of D0011 and D0012 response flows.

AccuRead fully accepts the contents of proposal P63 and the new BSCP 513. However, AccuRead feels that sufficient definition of the details of the process have not been included and leaving this to a commercial agreement between a Supplier and its agent may introduce problems. AccuRead also feels it would be helpful to both PAB and the market as a whole to have a procedure against which an application to PAB to introduce Bulk Change of Agent transfer can be compared.

Given the above and sufficient testing, AccuRead believes this process should be brought in as soon as possible.

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Best wishes

John Carrington, Electricity Co-ordinator (Design Authority), AccuRead Ltd

### **P63\_ASS3\_004 – SEEBOARD Energy**

<b>Respondent:</b>	Dave Morton	
<b>Responding on Behalf of</b>	SEEBOARD Energy Limited	
<b>Role of Respondent</b>	Supplier	
	<b>Questions</b>	<b>YES/NO</b>
Q1	<b>Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?</b>	Yes

<b>Rationale:</b> Should assist with competition in Supply.			
<b>Q2</b>	<b>Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.</b>	Yes	
<b>Rationale:</b>			
<b>Q3</b>	<b>At what level to you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.</b>	<b>LEVEL SMRA – Aggregate -</b>	
<b>Rationale:</b> We have no specific views on levels at which a PAB mandate should be sought.			
<b>Q4</b>	<b>Do you agree with the principles outlined for inclusion within the MRA?</b>	Yes	
<b>Q5</b>	<b>In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.</b>	<b>Date</b>	<b>Preferred Yes/No</b>
		Quarter 4 2002	No
		Quarter 1 2003	No
		Quarter 2 2003	Yes
		Quarter 3 2003	No
		Quarter 4 2003	No
<b>Rationale:</b> We require six months notice to ensure all systems and procedures are in place to manage requirements of this proposal. This is based on our current understanding of potential system changes required to manage such scenarios. However, further information is required to fully determine what changes would be required and, therefore, definite development timescales. Whatever date is chosen we would not want this change to be implemented in same quarter as modification P062.			

Q6	<p>The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.</p> <p>Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.</p>	No
Q7	<p>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?</p>	Yes
Q8	<p>Do you have any comments to make on the attached draft legal text for P63?</p>	No
<p>Please provide comments:</p>		
Q9	<p>Do you have any further comments to make on P63?</p>	Yes
<p><b>Please state your comments:</b></p> <p>With respect to understanding operational issues underpinning legal text Section S 2.7.9 (b). We agree with this statement and understand that actual volumes are yet to be determined. However, one of gaps within current assessment is what mechanism would be available for a Supplier to pass this information, i.e. would it be a Supplier to NHHDC version of a D0152 or some other form. Similarly, if required, what mechanism would a Supplier use to pass meter technical details. These are two issues that need to be determined to provide a full solution to this issue and enable Suppliers to give better response on timescales for this proposal, see Q5 above.</p> <p>Our understanding of these documents is that draft BSCP 513 covers all cases of bulk CoAs in NHH market irrespective of underlying cause. It would be worth ensuring that this is detailed clearly in any resulting modification report.</p> <p>A number of changes to BSCPs 501, 504 and 505 will be required. As a minimum references to new BSCP will be required. These should also note that in a bulk CoA situation timescales detailed within BSCP might not be followed but could be determined by PAB. Also these procedures need to include processes for situation where a Supplier has to send historic information/meter technical details to Agents as discussed in this proposal.</p> <p>If a bulk change of NHHDA is undertaken then one issue is that NHHDC will need to send D0019s to new NHHDA, BSCP 504 section 3.2.5.2. If NHHDC is also being changed then is part of process for new NHHDC to send these D0019s based on historic information sent to it either by previous NHHDC or Supplier? Or is this a further instance where a Supplier might be expected to send this information, requiring potential new flow instances? If Supplier is expected to carry out this then further changes to Section S of BSC and associated BSCPs would be required.</p>		

**P63\_ASS3\_005 – Innogy/Npower**

<b>Respondent:</b>	<b>Richard Harrison</b> Npower Ltd		
<b>Responding on Behalf of</b>	Innogy plc, Innogy Cogen Limited, Innogy Cogen Trading Limited, Npower Limited, Npower Direct Limited, Npower Northern Limited, Npower Northern Supply Limited, Npower Yorkshire Limited and Npower Yorkshire Supply Limited		
<b>Role of Respondent</b>	Supplier/Data Collector/Data Aggregator/ Meter Operator Agent		
	<b>Questions</b>	<b>YES/NO</b>	
Q1	<b>Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?</b>	<b>No</b>	
<b>Rationale: The fundamental problem with the CoA process has not been addressed and this introduces a potentially bureaucratic process for a yet to be defined level of activity.</b>			
Q2	<b>Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.</b>	<b>No</b>	
<b>Rationale: While there may be some potential risk to Settlement, this is mitigated by the fact that Suppliers are reliant on a successful outcome of the Change of Agent process for other business purposes, including collection of billing revenues from customers, and are therefore likely to devote considerable efforts to ensuring that it is managed properly. Also, failings with existing processes should already be monitored via PARMS reporting and any appropriate actions to be taken with failing suppliers.</b>			
Q3	<b>At what level to you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.</b>	<b>LEVEL SMRA – Aggregate -</b>	
<b>Rationale: The level should not be set.</b>			
Q4	<b>Do you agree with the principles outlined for inclusion within the MRA?</b>	<b>No</b>	
<b>See No. 1</b>			
Q5	<b>In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.</b>	<b>Date</b>	<b>Preferred Yes/No NONE!</b>



		Quarter 4 2002	
		Quarter 1 2003	
		Quarter 2 2003	
		Quarter 3 2003	
		Quarter 4 2003	
<b>Rationale:</b>			
<b>Q6</b>	<p>The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.</p> <p>Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.</p>		
<p>The defects in the current process need to be addressed or the design needs to be re-evaluated. Having 3 different processes is costly to maintain in the long term.</p>			
<b>Q7</b>	<p>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?</p>		<b>No</b>
See No.1			
<b>Q8</b>	<p>Do you have any comments to make on the attached draft legal text for P63?</p>		<b>No</b>
Please provide comments:			
<b>Q9</b>	<p>Do you have any further comments to make on P63?</p>		<b>Yes</b>
<p>Please state your comments:</p> <p>There seems little sense on creating a Bulk CoA process on an already inadequate process unless those imperfections are fixed. To then suggest that a totally different process is used for agent failure seems costly. There is some logic in investigating ways of making all three processes identical.</p>			

**P63\_ASS3\_006 – LE Group**

<b>Respondent:</b>	Paul Waite
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<b>Responding on Behalf of</b>	LE Group		
<b>Role of Respondent</b>	Supplier		
	<b>Questions</b>	<b>YES/NO</b>	
<b>Q1</b>	<b>Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?</b>	Yes	
<b>Rationale:</b> Reflects the needs of the industry and the benefits of commercial arrangements.			
<b>Q2</b>	<b>Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.</b>	Yes	
<b>Rationale:</b> Bulk CoA could have a significant impact on all Market Participants if there is not adequate protection in the form of planning and execution of the Transfer. We therefore support the view that PAB is an appropriate mechanism to provide this assurance.			
<b>Q3</b>	<b>At what level to you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.</b>	<b>LEVEL</b> <b>SMRA –</b> <b>Aggregate -</b>	
<b>Rationale:</b> No firm view on numbers but it should be set at a level that protects other market participants whilst not being overly bureaucratic for the initiating party.			
<b>Q4</b>	<b>Do you agree with the principles outlined for inclusion within the MRA?</b>	Yes	
<b>Q5</b>	<b>In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.</b>	<b>Date</b>	<b>Preferred Yes/No</b>
		Quarter 4 2002	No
		Quarter 1 2003	No
		Quarter 2 2003	No
		Quarter 3 2003	No
		Quarter 4 2003	No

<b>Rationale:</b>		
I don't believe that there is sufficient detail in the proposal to commit to an implementation date, other than to say that for system changes of this nature a minimum of 6 months lead time would be required. There are clarifications needed particularly for the process for failed Agents and, if there is a requirement for new instances of data flows to support the process, this will impact further on our ability to implement the changes.		
<b>Q6</b>	<b>The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.</b>  <b>Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.</b>	No
<b>Q7</b>	<b>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?</b>	Yes
<b>Q8</b>	<b>Do you have any comments to make on the attached draft legal text for P63?</b>	No
<b>Please provide comments:</b>		
<b>Q9</b>	<b>Do you have any further comments to make on P63?</b>	Yes
<b>Please state your comments:</b>  As indicated in the response to Q5 our main concern relates to the process for failing agents and the additional obligations being placed upon Suppliers for the retention and transfer of data. BSCP 513 is a departure from standard arrangements for change of agent and should as a minimum be cross-referenced in other products, in particular BSCPs 501, 504 and 505 relative to timescales.		

### **P63\_ASS3\_007 – Aquila Networks**

<b>Respondent:</b>	Sue Pritchard
<b>Responding on Behalf of</b>	Aquila Networks plc; Metering Services Ltd (MSL)
<b>Role of Respondent</b>	Distributor/MPAS/Data Collector/Data Aggregator/ Meter Operator Agent
<b>Questions</b>	

Q1	<b>Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?</b>	<b>NO</b>
<p><b>Rationale:</b></p> <p>There are no constraints existing within the BSC that would prevent the transfer of large volumes of Party Agents. No changes to the existing BSCPs are necessary since any Supplier wishing to effect a bulk change of agent need only agree sensible transfer volumes and timescales in advance with each relevant MPAS Service Provider.</p> <p>This Modification was raised, based on the erroneous assumption that the BSC includes constraints on Change of Agent Processing. Given that it doesn't, and neither does any other governance document, we're unsure why this Mod has even continued to progress.</p> <p>MPAS Service Providers are able to undertake bulk processing over weekends by bi-lateral agreement. Again, that being the case, we're unsure why this Mod needs to progress.</p> <p>If Settlements wish to have some controlling procedure that is incumbent on Suppliers to act responsibly, then we would support that. We do not believe that these proposed changes either enhance or detract from the acknowledgement of the BSC objectives.</p>		
Q2	<b>Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.</b>	
<p><b>Rationale:</b></p> <p>Industry parties have acted responsibly enough up to this point to establish that they are unlikely to undertake activities that would either jeopardise the processing capabilities of other parties and the DTN, or create a risk to Settlement. However we do acknowledge that a defined process would lessen the likelihood of such an event occurring.</p> <p>Without either a formal application process, or an acceptance that a Supplier should first obtain multi-lateral agreement before initiating bulk change, there is a risk that agents will not have the resource to process the resultant dataflows. There is also the risk that more than one Supplier may initiate a Bulk Change of Agent at the same time.</p> <p>Agents need to ensure that all data flows received are processed in an acceptable timescale, to ensure no Liquidated Damages are incurred. If a Supplier just chooses to initiate a Bulk of Change Of Agent without prior consent, this could result in a large increase of incoming data flows to Agent systems. The consequence could be a failure by Agents to process data flows (such as work requests from other Suppliers) in the correct timescale, leading to a failure in their contractual obligations.</p>		
Q3	<b>At what level to you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.</b>	<b>LEVEL SMRA – Aggregate -</b>

<b>Rationale:</b>			
<p>We do not believe this process has been explored completely. Any bulk change of agent would not, at least from an MPAS perspective, need to take place on one given day. MPAS systems are capable of accepting change of agent instructions for a given appointment date over a period of 28 days (advance processing). Therefore if Supplier XXXX wished to replace agent YYYY by appointing Agent BBBB to 280,000 MPANs on the 16/10/02, this transaction could then be spread over 28 days (or even more allowing for retrospective processing although we assume this isn't practical) at the rate of 10,000 instructions per day.</p> <p>This poses the question: should the threshold be determined by</p> <p>i) the number of Agent Changes based on appointment date or;</p> <p>ii) the number of Agent Changes based on volume to be processed per processing day?</p> <p>From a NHHMO and NHHDC perspective, it is very difficult to quantify a threshold for which Suppliers would be mandated to apply to PAB, since it depends what other processing were being undertaken at that time. It also depends on which media the Supplier uses – DTN or CD-ROM.</p> <p>NHHDA is fed from the MPAS system so would be reliant on MPAS Service Providers setting an appropriate limit.</p>			
<b>Q4</b>	<b>Do you agree with the principles outlined for inclusion within the MRA?</b>	<b>Yes</b>	
(Assuming a defined process is adopted.) However, multi-lateral agreement between affected parties could be reached without the need for change to either the BSC or the MRA.			
<b>Q5</b>	<b>In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.</b>	<b>Date</b>	<b>Preferred Yes/No</b>
		Quarter 4 2002	No
		Quarter 1 2003	No
		Quarter 2 2003	Yes
		Quarter 3 2003	No
		Quarter 4 2003	No
<b>Rationale:</b>			
<p>This implementation date would be in line with development of the MAP/MAM industry changes. However to achieve this, we would need all the relevant industry changes and working practices defined by the end of 2002 (such as exactly what format the data will be in on the CD-ROM).</p>			

Q6	<p>The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.</p> <p>Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.</p>	No
Q7	<p>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?</p>	Yes
<p>(Assuming a defined process is adopted.) However, multi-lateral agreement between affected parties could be reached without the need for change to either the BSC or the MRA.</p>		
Q8	<p>Do you have any comments to make on the attached draft legal text for P63?</p>	No
<p>Please provide comments:</p>		
Q9	<p>Do you have any further comments to make on P63?</p>	Yes
<p>Please state your comments:</p> <ol style="list-style-type: none"> <li>Given that only three respondents to CPC00190 from across the entire industry indicated that they wished to use a bulk CoA process, the cost of progressing this modification, drafting a new BSCP, amending existing BSCPs, amending the MRA, drafting a new MAP etc. seems difficult to justify when bulk CoA could be accommodated by multi-lateral agreement.</li> <li>The proposed process includes an application to the PAB. Does this not potentially delay a process that could already be underway, utilising advance processing (i.e. drip-feeding agent appointments over 28 days)?</li> <li>Step 3.1.6 of draft BSCP513 states that a Supplier will receive notification of PAB determination within one day of submitting additional information. Does this assume that the PAB will reconvene on the day that the Supplier's additional information is received?</li> <li>Section 4.1 (b) of draft BSCP513 makes reference to the 'effective date of registration change'. This data would be meaningless. The BSCP needs to refer to the Agent appointment date.</li> </ol>		

**P63\_ASS3\_008 – Western Power Distribution**

Respondent:	Graham Smith
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<b>Responding on Behalf of</b>	Please list all Parties responding on behalf of (including the respondent company if relevant).Western Power Distribution (South West) & Western Power Distribution (South Wales)	
<b>Role of Respondent</b>	Data Collector Data Aggregator Meter Operator Agent SMRA Distributor	
	<b>Questions</b>	<b>YES/NO</b>
Q1	<b>Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?</b>	No
<p><b>Rationale:</b> The defect being addressed is the potential for a supplier to disrupt the market by initiating an uncontrolled bulk change of agent (CoA). This disruption would clearly be against the applicable BSC objectives so preventing it from occurring certainly meets them.</p> <p>However an uncontrolled bulk CoA can be prevented simply by setting a limit to the number of CoAs that can be undertaken without prior agreement of SMRA and incoming Supplier Agents. If a PAB approval process is thought to be required, then it must add value to the process and, in its current form, it seems to be not much more than a rubber-stamping exercise. It adds an unnecessary level of bureaucracy and the added complexity is arguably less efficient.</p> <p>The biggest issue that will affect a successful bulk CoA is not the performance and capacity of Agent systems but the poor standard of data. Therefore the PAB role in the process should be enhanced to include a sampling of the Supplier data, and approval of it, prior to a bulk CoA being initiated.</p>		
Q2	<b>Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.</b>	No
<p><b>Rationale:</b> Agree there is a risk if the Supplier initiates a bulk CoA without the agreement of all parties affected. We would not expect a Supplier, SMRA or Supplier Agent to agree to the bulk CoA without believing they have the necessary resources in place. However, we do not think a declaration that “resource levels are sufficient” is enough to safeguard the market. Elimination of errors and addressing issues of data quality should be part of the PAB process.</p>		
Q3	<b>At what level to you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.</b>	<b>LEVEL</b> <b>SMRA – 3000</b> <b>Aggregate – 3000*</b>

<p><b>Rationale:</b> On a daily basis we could cope with an upper limit of around 3000 CoA's, based on an average number of exceptions. This is not a system constraint but a human resource constraint based on current staffing levels and error rates on appointments.</p> <p>We must also stress that although we could cope with this volume without advance notice from a Supplier, it is always good practice for Suppliers to liase with their agents. We would expect advance notice of any planned increase in workload even if it is at a volume that does not trigger the bulk CoA process.</p>			
Q4	Do you agree with the principles outlined for inclusion within the MRA?	No	
<p>Agree with the principal of setting a limit to the number of Supplier Updates but do not see the need for a MAP to specify how a bulk CoA should be carried out.</p>			
Q5	In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.	Date	Preferred Yes/No
		Quarter 4 2002	Yes
		Quarter 1 2003	
		Quarter 2 2003	
		Quarter 3 2003	
		Quarter 4 2003	
<p><b>Rationale:</b> Given the existing potential for market disruption if a Supplier initiates an uncontrolled bulk CoA, a volume limit should be established as soon as possible to prevent it.</p>			
Q6	<p>The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.</p> <p>Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.</p>	No	
<p>Agree with the principal of setting a limit to the number of Supplier Updates but do not see the need for a MAP to specify how a bulk CoA should be carried out.</p>			
Q7	Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?	No	
<p>Agree with the principal of setting a limit to the number of Supplier Updates but do not see the need for a MAP to specify how a bulk CoA should be carried out.</p>			
Q8	Do you have any comments to make on the attached draft legal text for P63?	No	



Please provide comments:		
Q9	Do you have any further comments to make on P63?	No
Please state your comments:		

**P63\_ASS3\_009 – SEEBOARD Power Networks**

<b>Respondent:</b>	Bob Brennan	
<b>Responding on Behalf of</b>	Please list all Parties responding on behalf of (including the respondent company if relevant).  SEEBOARD Power Networks	
<b>Role of Respondent</b>	(/SMRA/	
	<b>Questions</b>	<b>YES/NO</b>
Q1	<b>Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?</b>	<b>No</b>
<b>Rationale:</b> The principal of having a Modification Proposal to support bulk CoA is correct. However we still do not believe that the media of the CD-ROM in communicating the updates from the initiating supplier to the SMRA is the correct one. We still believe that the overall management of the process still needs to be further defined specifically in the capture and storage of data pre initialising the transfer, and the monitoring/control of rejections from the CD-ROM.		
Q2	<b>Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.</b>	<b>Yes</b>
<b>Rationale:</b> We believe that there is a potential impact upon settlements if a bulk CoA was undertaken without sufficient safeguards in place, and as such believe any such transfer should be referred to PAB for approval.		
Q3	<b>At what level to you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.</b>	<b>LEVEL</b> <b>SMRA – 10,00</b> <b>Aggregate - ?</b>

<p><b>Rationale:</b> The P63 Consultation paper recognises the risks and issues if a bulk CoA were to be undertaken without prior knowledge and agreement with the SMRA. The figure of 10,000 reflects a number our SMRS could process on an average day, dependant upon the time of receipt of the file(s). This number could be increased in the event of a bulk CoA given prior visibility of the transfers. We believe we are not in a position to comment upon an aggregate number.</p>			
Q4	Do you agree with the principles outlined for inclusion within the MRA?	Yes	
Q5	In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.	Date	Preferred Yes/No
		Quarter 4 2002	No
		Quarter 1 2003	No
		Quarter 2 2003	Yes
		Quarter 3 2003	Yes
		Quarter 4 2003	No
<p><b>Rationale:</b> As we believe there are still some fundamental issues to be addressed, we believe that an implementation date within 4 months is unrealistic. Likewise, we believe that an implementation date past Q3 2003 is excessive.</p>			
Q6	<p>The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.</p> <p>Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.</p>		
Q7	Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?	Yes /	
Q8	Do you have any comments to make on the attached draft legal text for P63?	/ No	
Please provide comments:			
Q9	Do you have any further comments to make on P63?	/ No	

**Please state your comments:** Only to reiterate our concerns as previously documented.

**P63\_ASS3\_010 – LE Group**

<b>Respondent:</b>	LE Group	
<b>Responding on Behalf of</b>	Please list all Parties responding on behalf of (including the respondent company if relevant).  EPN Distribution Ltd, London Electricity plc, London Electricity Group plc, Jade Power Generation Ltd, London Power Networks plc, Sutton Bridge Power, West Burton Ltd and ECS	
<b>Role of Respondent</b>	(Supplier/Data Collector/Data Aggregator/ Meter Operator Agent/SMRA/Other)  Suppliers, NHHDC, NHHDA, NHHMOA and SMRAs	
	<b>Questions</b>	<b>YES/NO</b>
<b>Q1</b>	<b>Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?</b>	Yes
<b>Rationale:</b> This modification will better facilitate applicable BSC objective (c), facilitating improved competition in Supply of electricity, by enabling the Supplier to appoint preferred Agents in bulk numbers more rapidly.		
<b>Q2</b>	<b>Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.</b>	Yes
<b>Rationale:</b> This modification will ensure that settlement integrity is not compromised by a Supplier initiating an uncontrolled Bulk CoA that could disrupt other dataflows being processed during normal daily operations.		
<b>Q3</b>	<b>At what level to you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.</b>	<b>LEVEL</b> <b>SMRA – 20,000</b> <b>Aggregate –</b>
<b>Rationale:</b> The basis of the 20,000 figure is the ability to handle all bulk updates in SMRS on any single overnight batch, without compromising the daily processing requirements on all parties. We believe that in aggregate by all SMRAs is not applicable and a total threshold, by the Supplier Agent being appointed, would be a better measure on a national basis. ELEXON should look into a national level based on a potential, significant level of impact on data provided to settlement.		

Q4	Do you agree with the principles outlined for inclusion within the MRA?	Yes	
Q5	In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.	Date	Preferred Yes/No
		Quarter 4 2002	
		Quarter 1 2003	
		Quarter 2 2003	
		Quarter 3 2003	
		Quarter 4 2003	
<p><b>Rationale:</b> At this point in time because of the lack of information on the MRA CPs we would not wish to provide a preferred implementation date. We believe that implementation should be set to coincide with the implementation of the MRA CPs to ensure industry alignment on this process.</p>			
Q6	<p>The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.</p> <p>Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.</p>	No	
Q7	Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?	Yes	
Q8	Do you have any comments to make on the attached draft legal text for P63?	No	
Please provide comments:			
Q9	Do you have any further comments to make on P63?	No	
Please state your comments:			

## **P63\_ASS3\_011 – Scottish and Southern**

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

In relation to the Assessment Consultation on Modification Proposal P63, contained in your note of 30th July 2002 and the questions posed, our comments on the questions are as follows:-

P63 ASSESSMENT Procedure Consultation 3 PRO-FORMA

Parties, Party Agents and SMRAs are invited to provide their response on the questions below.

Respondent:

Responding on Behalf of Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd. and SSE Energy Supply Ltd.

Role of Respondent (Supplier/Data Collector/Data Aggregator/ Meter Operator Agent/SMRA/Other)

Q1

Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives? **No**

### **Rationale:**

The draft legal text, Section S 2.7.9, seems to imply that Suppliers must hold additional data e.g. Meter Technical Details, at all times, so that they can provide it to Party Agents in the event of bulk CoA. This would require Suppliers and Party Agents to make significant changes to their systems. Suppliers would need to store the additional data; Party Agents would need to be able to receive data from Suppliers, which at the moment they receive from other Party Agents. The additional costs for making the necessary changes may be unsustainable, for small Suppliers and Party Agents, which would work against effective competition. This would contravene the BSC objectives Section B1.2.1 (b) (iii) and B1.2.1 (d).

Q2

Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent. **No**

### **Rationale:**

**PAB needs to be notified when a Supplier is intending to carry bulk CoA. However, because Market Participants operate Certified systems and processes, it is not necessary for PAB approval to be given before a Supplier can change agents.**

Q3

At what level do you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.

### **LEVEL**

**SMRA ? 500**

**Aggregate - 500**

### **Rationale:**

**This would give greater opportunity for Bulk CoA to be visible. The threshold should be the same regardless whether it is one SMRA or many. It would be preferable if only one Bulk**

**CoA process was allowed at any one time, however it is difficult to see how this could be mandated.**

Q4

Do you agree with the principles outlined for inclusion within the MRA? **No**

**The proposals give SMRS a get out for not processing routine flows within the required timescales. We would not want any clauses amended, added or deleted that would affect the current normal processing.**

Q5

In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.

**Unable to determine suitable date - see rationale**

**Rationale:**

**Unable to give any preferred implementation date as the changes in current proposals are too far reaching. If these proposals are approved we would need the details of the design to be available in order to determine our optimum implementation date.**

Q6

The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.

Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below. **See comments below**

**The basis for designing a process for Bulk CoA seems to rely, very largely, on a requirement for a process in the event of Agent failure. However, Agent failure is a special circumstance, the requirements of which have not been properly analysed, consequently it is inappropriate for this to be the basis of a general solution for Bulk CoA. It is possible for both Supplier and its Party Agent(s) to fail should the parent company become insolvent. The proposals do not address this scenario. Agent failure needs to be resolved as a separate issue. Bulk CoA, other than Agent failure, could be carried out using the existing design providing Suppliers and Party Agents agree acceptable volumes.**

Q7

Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal? **No**

**See response to Q4.**

Q8

Do you have any comments to make on the attached draft legal text for P63? **Yes**

**See response for Q1.**

Q9

Do you have any further comments to make on P63? Yes / No

Please state your comments:

**Please clarify comments in the Consultation paper page 2 point 2 Modification Group Discussion? ?The VAMG notes that the level of constraints identified by the respondents to**

the consultation was considerably lower than those identified by the Proposer of Modification Proposal P63. Furthermore, the VAMG also noted that the respondents provided no rationale to justify such constraints. It was suggested at this meeting that some of the constraints identified by, in particular SMRAs, could be alleviated if the Suppliers were to enter into commercial arrangements with each SMRA.?

(1) Does this refer to constraints within the existing systems or within the proposals?

(2) Do respondents believe that bulk CoA would work satisfactorily with existing functionality, whereas the Proposer believes existing functionality contains too many constraints?

We have no further comments to make at this time on P63.

Regards

Garth Graham, Scottish & Southern Energy plc

### P63\_ASS3\_012 – British Gas

<b>Respondent:</b>	<b>Andrew Latham</b>	
<b>Responding on Behalf of</b>	Please list all Parties responding on behalf of (including the respondent company if relevant). <b>British Gas</b>	
<b>Role of Respondent</b>	<b>Supplier</b>	
	<b>Questions</b>	<b>YES/NO</b>
<b>Q1</b>	<b>Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?</b>	<b>Yes</b>
<b>Rationale:</b> <b>(c) Promoting effective competition in the supply of electricity and metering, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity;</b> <b>(d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.</b>		
<b>Q2</b>	<b>Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.</b>	<b>Yes</b>
<b>Rationale: Whilst British Gas fully support the establishment of an industry wide process through PAB we believe that Suppliers in the interim period should not be prohibited to agree bi-lateral agreements between MPAS's &amp; other agents.</b>		

Q3	At what level do you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.	25,000 for SMRA		
<p>Rationale: It is difficult to set a figure as there are small and large SMRA's we would like to see a figure of 25,000 plus to enable all supplier to have the opportunity to use normal processing wherever possible and to only use BCoA where absolutely necessary.</p>				
Q4	Do you agree with the principles outlined for inclusion within the MRA?	Yes		
<p>Timescales for the introduction of the agreed MRA procedures need to be clearly defined within the modification document ensuring a timely delivery of the BCoA solution. I.e. within 1 to 2 months of Ofgem decision on mod P63.</p> <p>One area we need to clarify is that of MPAS costs. There is a rationale these costs are already recouped and therefore question whether there is a requirement for a further charge outside of normal daily processing. A preferred option would be that a schedule of charges that are fully controlled to reflect market prices within the industry. This may need to be picked up by the regulator and officially published.</p> <p>As an interim measure the possibility to seek agreement from all MPAS via commercial agreements should continue until such time as the modification became live which would then supersede by all other agreements.</p>				
Q5	In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.	Date	Preferred Yes/No	
		Quarter 4 2002		
		Quarter 1 2003	Yes	
		Quarter 2 2003		
		Quarter 3 2003		
		Quarter 4 2003		
<p>Rationale: It is envisaged that should the authority approve Mod P63 the earliest time would be December therefore if agreed a timescale for implementation should be 1 to 2 month post acceptance this being Quarter 1.</p>				
Q6	<p>The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.</p> <p>Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.</p>	Yes		



<p>An Industry Data Manager warehouse would help assist in the reduction of poor industry data to settlement and this would also hold all the DC, DA and MO technical data. This is a future requirement and is being processed outside of P63.</p>		
Q7	<p>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?</p>	<p>Yes</p>
<p>Please refer to question 4</p>		
Q8	<p>Do you have any comments to make on the attached draft legal text for P63?</p>	<p>No</p>
<p>Please provide comments:</p>		
Q9	<p>Do you have any further comments to make on P63?</p>	<p>Yes</p>
<p>Please state your comments:</p> <p>Items to be considered below for further discussion/ clarification.</p> <ol style="list-style-type: none"> <li>Needs to be a given time for submission to PAB i.e. 1 week prior ?</li> <li>What timescales for turn around could be expected by PAB i.e. one meeting.</li> <li>As the application stands it simply states "Written confirmation from relevant supplier agent(s) and relevant SMRA(s) that they are able to proceed". The application should include a sign off section from all other parties involved to say they are happy with the volume, the date of Bulk Migration, the effective from date of MPANS and the method of transfer to be use.</li> <li>4.2.7 highlights the need for a proposed timetable &amp; methodology for carrying out the agent replacement. An industry wide template should be a requirement that all suppliers wishing to migrate complete this document.</li> </ol> <p><i>P63 Assessment Consultation 3 v10.pdf</i></p> <ul style="list-style-type: none"> <li><b>Page 2 Section 2 para 2 line 2</b> Whilst British Gas favour the CD-ROM option it may be worth widening this to include other mediums that some other suppliers and agents may wish to.</li> <li><b>Page 3 "Cost and Cost Allocation"</b> This paragraph implies that the initiating party to enter into commercial arrangements with impacted parties and fund any costs incurred. Is this a commercial arrangement?</li> <li><b>Page 4 "Risk to Settlement...."</b> Whilst an application process is sensible, what grounds would certain parties have for refusal? Surely, a notification process with suitable advanced warning would be more appropriate.</li> </ul> <p><b><u>Draft Code Changes.pdf</u></b> Section 4.2.6 - Does sub-section (a) apply for all instances of Change of Agent effectively moving Bulk CoA outside of the process detailed in section 4.2.7. What does section 4.2.2 say?</p> <p><b><u>BSCP513 v0.2.pdf</u></b> This document just details the process for seeking approval of an intention to conduct Bulk Change of Agent. It makes no reference to how BCoA should operate.</p>		

**P63\_ASS3\_013 – Scottish Power**

<b>Respondent:</b>	Man Kwong Liu	
<b>Responding on Behalf of</b>	Please list all Parties responding on behalf of (including the respondent company if relevant). SP Transmission Ltd and SP Manweb Plc	
<b>Role of Respondent</b>	(Supplier/Data Collector/Data Aggregator/ Meter Operator Agent/SMRA/Other) SMRA	
	<b>Questions</b>	<b>YES/NO</b>
<b>Q1</b>	<b>Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?</b>	No
<b>Rationale:</b> We have always maintained that the existing processes were adequate and, while we can see some merit in the proposals with regard to the MRA, do not believe that any modification to the BSC or code subsidiary documents is warranted.		
<b>Q2</b>	<b>Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.</b>	See comments
<b>Rationale:</b> Without first ensuring that adequate resources were in place, it is possible that the SMRS, or incoming / outgoing agents, would be unable to process abnormally large volumes of instructions through their systems. However, existing agreements between suppliers and SMRAs already fix the volumes of instructions that may be processed and so nullify this issue.		
<b>Q3</b>	<b>At what level to you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.</b>	<b>LEVEL</b> <b>SMRA</b> – 5,000 per day per GSP Group <b>Aggregate</b> -
<b>Rationale:</b> This figure is a total figure for all suppliers and we consider it to represent a reasonable allowance for processing in a single day and would consist of all flows to that SMRA. However, we have no view on a suitable aggregate level at this time.		
<b>Q4</b>	<b>Do you agree with the principles outlined for inclusion within the MRA?</b>	See comments
While we agree with the principle of inclusion in Schedule 8 of the MRA, we do not consider any changes to be necessary at this time. Existing agreements between suppliers and SMRAs already fix the volumes of instructions that may be processed and any increases in these will be subject to commercial considerations.		

Q5	In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.	Date	Preferred Yes/No
		Quarter 4 2002	
		Quarter 1 2003	
		Quarter 2 2003	
		Quarter 3 2003	Yes
		Quarter 4 2003	
<b>Rationale:</b>			
This would allow sufficient time for any necessary system changes.			
Q6	<p>The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.</p> <p>Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.</p>		No
Q7	Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?		No
Introducing a timetable that requires weekend processing would impact on other processing scheduled for weekends and would require significant system changes.			
Q8	Do you have any comments to make on the attached draft legal text for P63?		No
Please provide comments:			
Q9	Do you have any further comments to make on P63?		No
Please state your comments:			

### P63\_ASS3\_014 – Scottish Power Energy Retail

<b>Respondent:</b>	James Nixon
<b>Responding on Behalf of</b>	Please list all Parties responding on behalf of (including the respondent company if relevant). Scottish Power Energy Retail Ltd

<b>Role of Respondent</b>	(Supplier/Data Collector/Data Aggregator/ Meter Operator Agent/SMRA/Other) Supplier		
	<b>Questions</b>	<b>YES/NO</b>	
<b>Q1</b>	<b>Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?</b>	No	
<b>Rationale:</b> There is no requirement to change the existing processes. However, in the case of Agent Failure, we might expect suppliers to be able to provide a written process demonstrating that they could recover the necessary data from their systems.			
<b>Q2</b>	<b>Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.</b>	Yes	
<b>Rationale:</b> If it were possible for a supplier to initiate a 'bulk' change without prior agreement with the relevant agents / SMRA, there may be a risk to settlements, but existing agreements between suppliers and SMRAs limit the volumes that may be transferred at any one time.			
<b>Q3</b>	<b>At what level to you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.</b>	<b>LEVEL</b> <b>SMRA –</b> <b>Aggregate -</b>	
<b>Rationale:</b> No comment			
<b>Q4</b>	<b>Do you agree with the principles outlined for inclusion within the MRA?</b>	Yes	
We would agree, in principle, that Bulk CoAs should be subject to inclusion in Schedule 8			
<b>Q5</b>	<b>In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.</b>	<b>Date</b>	<b>Preferred Yes/No</b>
		Quarter 4 2002	
		Quarter 1 2003	
		Quarter 2 2003	
		Quarter 3 2003	Yes
		Quarter 4 2003	

<b>Rationale:</b>		
This will allow ample time for the proposals to pass through the BSC and MRASCo processes.		
<b>Q6</b>	<b>The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.</b>  <b>Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.</b>	No
<b>Q7</b>	<b>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?</b>	Yes
<b>Q8</b>	<b>Do you have any comments to make on the attached draft legal text for P63?</b>	No
<b>Please provide comments:</b>		
<b>Q9</b>	<b>Do you have any further comments to make on P63?</b>	No
<b>Please state your comments:</b>		

## ANNEX 5 – RESPONSES TO CHANGE PROPOSAL CIRCULAR CPC190

CPC190 was issued on 12 June 2002 with responses due back on 19 June 2002.

<b>Responses</b>
<p><b>Response 1:</b> <b>Question 1a:</b> Were a facility to allow the Bulk CoA of Party Agent appointments to be introduced within the Code, do you envisage using it? <b>No.</b></p> <p><b>Question 1b:</b> If your answer to 1a was yes, what number of metering systems would you wish to transfer per Settlement Day? <b>N/A</b></p> <p><b>Question 2:</b> What is the minimum number of metering systems that you believe should be set within any GSP Group in order to undertake a Bulk CoA of Party Agent appointments? <b>N/A</b></p> <p><b>Question 3:</b> What is the maximum number of metering systems within a GSP group that you believe should be accommodated within the design for any solution for Bulk CoA? <b>N/A</b></p> <p><b>Comments:</b> None</p>
<p><b>Response 2:</b> <b>Question 1a:</b> Were a facility to allow the Bulk Transfer of Party Agent appointments to be introduced within the Code, do you envisage using it? Answer 1a: <b>No</b></p> <p><b>Question 1b:</b> If your answer to 1a was yes, what number of metering systems would you wish to transfer per Settlement Day? Answer 1b: <b>N/A</b></p> <p><b>Question 2:</b> What is the minimum number of metering systems that you believe should be set within any GSP Group in order to undertake a Bulk CoA of Party Agent appointments? Answer 2: <b>This depends on the quality of the data</b></p> <p><b>Question 3:</b> What is the maximum number of metering systems within a GSP group that you believe should be accommodated within the design for any solution for Bulk CoA? Answer 3: This depends on the quality of the data</p> <p><b>Comments:</b> None</p>
<p><b>Response 3:</b> <b>Question 1a:</b> Were a facility to allow the Bulk CoA of Party Agent appointments to be introduced within the Code, do you envisage using it? <b>No, see comments.</b></p> <p><b>Comments:</b> Process currently defined to introduce this as a separate facility is not felt to be robust and is also unnecessary. It is felt that such transfers can be managed using current processes but with the need for discussions with all impacted parties to arrange mutually convenient times to carry this out.</p>
<p><b>Response 4:</b> <b>No comment.</b></p>

**Response 5:**

**Question 1a:** Were a facility to allow the Bulk CoA of Party Agent appointments to be introduced within the Code, do you envisage using it?

**\*No.**

**Question 1b:**

If your answer to 1a was yes, what number of metering systems would you wish to transfer per Settlement Day?

**Question 2:**

What is the minimum number of metering systems that you believe should be set within any GSP Group in order to undertake a Bulk CoA of Party Agent appointments?

**500,000**

**Question 3:** What is the maximum number of metering systems within a GSP group that you believe should be accommodated within the design for any solution for Bulk CoA?

**1,500,000**

Comments: **If a Bulk CoA Process is introduced, the minimum number that should be set should be sufficiently large that it would only be used for genuinely "bulk" transfers. If a former host PES supplier wanted to change its agents, the Bulk CoA Process would need to be able to handle a maximum in the region of 1,500,000 changes in a single GSP Group.**

**Response 6:**

**Question 1a:**

Were a facility to allow the Bulk CoA of Party Agent appointments to be introduced within the Code, do you envisage using it?

**Yes**

**We would envisage using this facility but would want to see the same process being utilised for both single and bulk change of agent. This facility would be useful under certain circumstances, for example, agent failure.**

**Question 1b:**

If your answer to 1a was yes, what number of metering systems would you wish to transfer per Settlement Day?

**The volume of MPANs to be transferred would be dependent upon the planning process and consultation between a supplier and its agents, as constraints on resources as well as systems have to be taken into consideration.**

**Question 2:**

What is the minimum number of metering systems that you believe should be set within any GSP Group in order to undertake a Bulk CoA of Party Agent appointments?

**We believe the minimum number would be one, because as stated above, we would wish to see a process that facilitates both a single and bulk change of agent.**

**Question 3:**

What is the maximum number of metering systems within a GSP group that you believe should be accommodated within the design for any solution for Bulk CoA?

**This would be dependent upon the supplier and agent systems and processes in place. The change of agent process would be carried out upon a system-by-system basis, therefore an assessment would be based upon what systems are in place, i.e. whether manual or automated.**

**Consideration would also have to be given as to whether the transfer was undertaken on a working day or over a weekend.**

Comments:

**The Industry needs to focus on the problems that have been highlighted with the current change of agent process, before a bulk change can be facilitated efficiently. The work currently undertaken by the P63 Mod Group has not addressed these issues as they are looking at a different process**

**We believe, therefore, that it would be beneficial to the whole of the Industry if we were to have one facility to accommodate both single and bulk change of agent. This would remove the need to make costly changes to systems to deal with two separate processes.**

**Response 7:**

**Question 1a:**

Were a facility to allow the Bulk CoA of Party Agent appointments to be introduced within the Code, do you envisage using it?

**Yes**

**We would envisage using this facility but would want to see the same process being utilised for both single and bulk change of agent. This facility would be useful under certain circumstances, for example, agent failure.**

**Question 1b:**

If your answer to 1a was yes, what number of metering systems would you wish to transfer per Settlement Day?

**The volume of MPANs to be transferred would be dependent upon the planning process and consultation between a supplier and it's agents, as constraints on resources as well as systems have to be taken into consideration.**

**Question 2:**

What is the minimum number of metering systems that you believe should be set within any GSP Group in order to undertake a Bulk CoA of Party Agent appointments?

**We believe the minimum number would be one, because as stated above, we would wish to see a process that facilitates both a single and bulk change of agent.**

**Question 3:**

What is the maximum number of metering systems within a GSP group that you believe should be accommodated within the design for any solution for Bulk CoA?

**This would be dependent upon the supplier and agent systems and processes in place. The change of agent process would be carried out upon a system-by-system basis, therefore an assessment would be based upon what systems are in place, i.e. whether manual or automated.**

**Consideration would also have to be given as to whether the transfer was undertaken on a working day or over a weekend.**

**Comments:**

**The Industry needs to focus on the problems that have been highlighted with the current change of agent process, before a bulk change can be facilitated efficiently. The work currently undertaken by the P63 Mod Group has not addressed these issues as they are looking at a different process**

**We believe, therefore, that it would be beneficial to the whole of the Industry if we were to have one facility to accommodate both single and bulk change of agent. This would remove the need to make costly changes to systems to deal with two separate processes.**

**Response 8:**

**Question 1a:** Were a facility to allow the Bulk CoA of Party Agent appointments to be introduced within the Code, do you envisage using it?

**Yes.**

**Question 1b:** If your answer to 1a was yes, what number of metering systems would you wish to transfer per Settlement Day?

It is difficult to reply, as our volumes would not match those of an old Host PES per area. Therefore I believe that the local PES area would do better do indicate the volume required.

However to take out the pain in this I have asked MARASCo for the total number of MPANs per GSP group area and can be found in figure 1.

In Figure 2 I have copied from the Ofgem web site (<http://www.ofgem.gov.uk/prices/switching.htm#elec>) the percentage of customers switching suppliers in a given PES area giving an indication of maximum switching required.

If you would like to discuss this please give me a call to discuss further.

**Question 2:** What is the minimum number of metering systems that you believe should be set within any GSP Group in order to undertake a Bulk CoA of Party Agent appointments?

**25,000.**

**Question 3:** What is the maximum number of metering systems within a GSP group that you believe should be accommodated within the design for any solution for Bulk CoA?

5<sup>11</sup>

Response continued on next page

<sup>11</sup> The respondent was contacted about this response as it seemed contrary to the answer in question 2. The respondent confirmed that the question had been misunderstood and this answer ignored.



Response 8 CPC190 continued. The figures below were provided by Respondent 8.

Figure 2

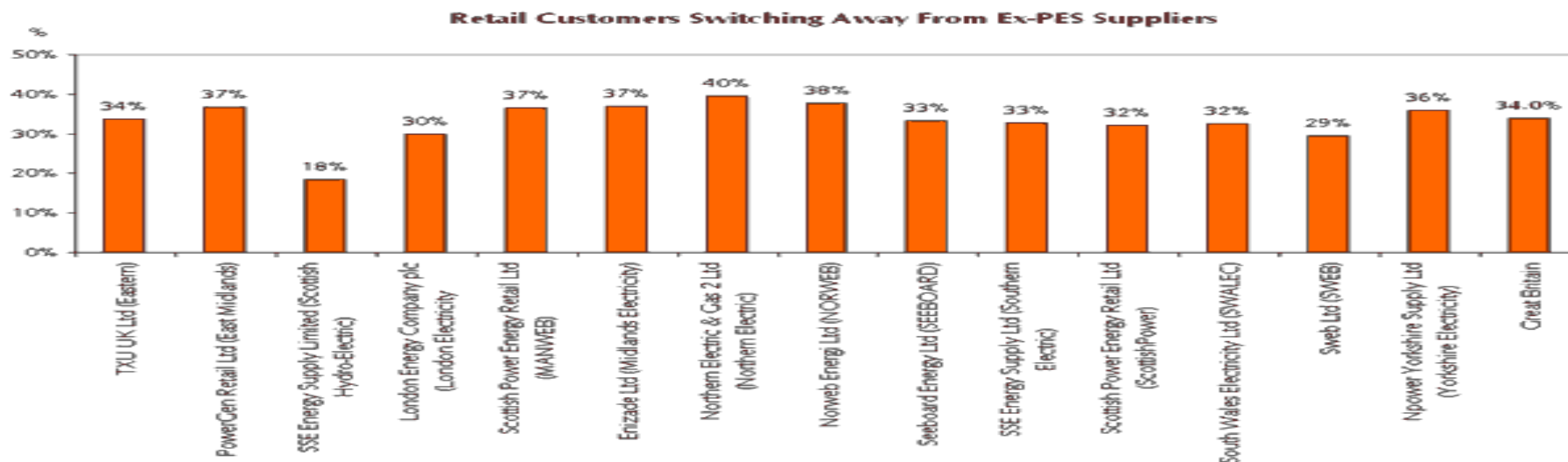


Figure 1

	Apr-01	Apr-01	Apr-01	Apr-01	Apr-01	Apr-01	Apr-01	Apr-01	Apr-01	Apr-01	Apr-01	Apr-01	Apr-01	Apr-01	Apr-01	Apr
Distribution Business	EPN Distribution Ltd	East Midland Electricity Distribution plc	Scottish Hydro-Electric Power Distribution Limited	London Power Networks	SP Manweb plc	Aquila Networks plc	Northern Electric Distribution Ltd	United Utilities plc	Seaboard Power Networks plc	Southern Electric Power Distribution plc	SP Distribution Limited	Western Power Distribution (South Wales) plc	Western Power Distribution (South West) plc	Yorkshire Electricity Distribution plc		Tot
	EELC	EMEB	HYDE	LOND	MANW	MIDE	NEEB	NORW	SEEB	SOUT	SPOW	SWAE	SWEB	YELG		
	3,428,168	2,466,917	839,685	2,331,697	1,457,984	2,399,054	1,551,094	2,318,178	2,161,130	2,851,472	2,111,818	1,066,090	1,490,217	2,182,657	28,616	

## ANNEX 6 - RESPONSES TO M00007

Carried out by	Comments
Gareth Swales Electricity Direct	<p>What impact, if any, will P63 have on your organisation? None</p> <p>What would be your required lead time to develop any changes required as a result of P63? NA</p> <p>What would be your preferred Implementation Date for P63? Please specify one of the following: Quarter 3, 2003; X</p> <p>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal? Yes</p>
Roger Grew Siemens Metering Services (Nottingham)	<p>What impact, if any, will P63 have on your organisation? Will require changes to application system and business processes.</p> <p>What would be your required lead time to develop any changes required as a result of P63? 6 months</p> <p>What would be your preferred Implementation Date for P63? Please specify one of the following: Quarter 1, 2003; Would prefer Quarter 2 except that we would like to avoid a possible clash with MRASCo's planned DTC change in May 2003 which will also have a significant impact</p> <p>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal? Yes but there are a number of issues/concerns: The cost to implement these changes Process to deal with exceptions Validation of data What will happens to jobs that have already been scheduled at implementation time. The asset provider may want to have a say in who maintains their meters</p>
Dave Morton SEEBOARD	<p>What impact, if any, will P63 have on your organisation? Proposal will require changes to enable us as a Supplier to provide historical information in a number of cases, see details in P63 pro-forma attached with this response.</p> <p>What would be your required lead time to develop any changes required as a result of P63? Based upon current understanding of changes required we would need six months notice</p> <p>What would be your preferred Implementation Date for P63? Quarter 2, 2003. We would not wish for this to be implemented in same time frame as P62.</p> <p>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal? Yes</p>
Clare Talbot National Grid	<p>What impact, if any, will P63 have on your organisation? Limited impact identified.</p> <p>What would be your required lead time to develop any changes required as a result of P63? N/A</p> <p>What would be your preferred Implementation Date for P63? Please specify one of the following: No Preference.</p> <p>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal? Whilst the proposed changes delivered by P63 have limited impact on National Grid, we agree in principle with the process outlined in the MRA Principle Changes</p>

Carried out by	Comments
	Document and the development of the necessary proposals for consideration through the MRA Change Control Process.
Paul Waite LE Group Supply	<p>What impact, if any, will P63 have on your organisation? A Supply business will be required to provide historical information and this, together with the development of the transfer mechanism, will have an impact. Any requirement by the business to invoke Bulk CoA will also require compliance with the new procedures.</p> <p>What would be your required lead time to develop any changes required as a result of P63? Standard minimum lead time would be six months but this would depend on a more detailed understanding of the specific requirements.</p> <p>What would be your preferred Implementation Date for P63? Please specify one of the following: Quarter 2, 2003; Earliest possible (see above)</p> <p>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal? Yes</p>
Sue Macklin Scottish and Southern	<p>What impact, if any, will P63 have on your organisation? Considerable - the requirement for Suppliers hold additional data at all times, and provide it to Party Agents, as specified in the ?draft legal text? Section S 2.7.9, is a fundamental change to national design. We would need to make significant changes to our systems.</p> <p>What would be your required lead time to develop any changes required as a result of P63? Unable to estimate the lead time as the changes in current proposals are too far reaching. If these proposals are approved we would need the details of the design to be available in order to determine development timescales.</p> <p>What would be you preferred implementation Date for P63? Please specify one of the following: Quarter 4, 2002; Quarter 1, 2003; Quarter 2, 2003; Quarter 3, 2003; Quarter 4, 2003. Unable to give any preferred implementation date as the changes in current proposals are too far reaching. If these proposals are approved we would need the details of the design to be available in order to determine our optimum Implementation date.</p> <p>Do you agree with the principles outlined within the attached MRA Principle Changes document which will be developed into a formal MRA Change Proposal? No. The proposals give SMRS a ?get out? for not processing routine flows within the required timescales. We would not want any clauses amended, added or deleted that would affect the current normal processing.</p>

Carried out by	Comments
Ros Parsons Npower Northern	<p>What impact, if any, will P63 have on your organisation? As a Supplier, there would be minimal system changes at this time. However, for Agents, the impact would be substantial if the data is to be transferred via CD-Rom.</p> <p>What would be your required lead time to develop any changes required as a result of P63? 12 months</p> <p>What would be your preferred Implementation Date for P63? Please specify one of the following: Quarter 4, 2003.</p> <p>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal? No.</p>
Ros Parsons Npower Ltd, Npower Yorkshire Ltd, Npower Direct Ltd	<p>What impact, if any, will P63 have on your organisation? As a Supplier, there would be minimal system changes at this time. However, for Agents, the impact would be substantial if the data is to be transferred via CD-Rom.</p> <p>What would be your required lead time to develop any changes required as a result of P63? 12 months</p> <p>What would be your preferred Implementation Date for P63? Please specify one of the following: Quarter 4, 2003.</p> <p>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal? No.</p>
Alec Thompson LE Group	<ol style="list-style-type: none"> <li>1. We anticipate no impact on Supplier, Supplier Agents and SMRA systems if the modification is implemented.</li> <li>2. Not applicable.</li> <li>3. At this point in time because of the lack of information on the MRA CPs we would not wish to provide a preferred implementation date. We believe that implementation should be set to coincide with the implementation of the MRA CPs to ensure industry alignment on this process.</li> <li>4. Yes, we believe that it would be essential to implementation of these changes to ensure a robust industry coherence with the BSC modification.</li> </ol>
Katie Sarl IMServ Europe	<p>Please provide responses to the following questions: What impact, if any, will P63 have on your organisation? For our organisation the implementation of P63 would not result in any extra requirements.</p> <p>What would be your required lead time to develop any changes required as a result of P63? We would require a six month lead time to develop any system changes required.</p> <p>What would be your preferred Implementation Date for P63? Please specify one of the following: Quarter 1, 2003</p> <p>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal? Yes, we do agree with the principles outlined within the document.</p>
Derek Livesey United Utilities Electricity (late response)	<p>What impact, if any, will P63 have on your organisation? To ensure that large volume submissions do not effect normal daily processing we would support having safeguards put in place by way of a MAP to ensure that extended processing times over a phased period is allowed.</p> <p>What would be your required lead time to develop any changes required as a result of P63?</p>

Carried out by	Comments
	6 months What would be your preferred Implementation Date for P63? Please specify one of the following: Quarter 2, 2003; please Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal? Yes.

### ANNEX 7 FURTHER LATE RESPONSE TO P63 ASSESSMENT CONSULTATION 3

The following response to the P63 Assessment Consultation was received on 2 September 2002 and considered by the VAMG at their meeting on 3 September 2002.

<b>Respondent:</b>	Afroze Miah	
<b>Responding on Behalf of</b>	Powergen UK plc, Powergen Retail Limited, Diamond Power Generation Limited and Cottam Development Centre Limited	
<b>Role of Respondent</b>	Supplier	
	<b>Questions</b>	<b>YES/NO</b>
Q1	<b>Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?</b>	YES
<b>Rationale:</b> It would seem to be a practical solution for the transfer of bulk data in restricted timescales to meet the BSC requirements. However, it could represent a significant impact on Suppliers' and Agents' current registration systems and processes.		
Q2	<b>Do you agree with the view of the Volume Allocation Modification Group that there is a risk to Settlement were a Supplier to initiate a Bulk Change of Agent without first having gone through a PAB Application Process outlining their plans and confirming their resource levels are sufficient to deal with a Bulk Change of Agent.</b>	YES
<b>Rationale:</b> Otherwise there is a risk that a Supplier changing agents may not act to the best interests of the market. Going via the PAB will also create an audit trail that can be reviewed in the future.		
Q3	<b>At what level to you believe a threshold (in numbers of Metering Systems), above which Suppliers would be mandated to apply to PAB, should be set? Please specify a value per SMRA as well as an aggregate value for all SMRAs.</b>	<b>LEVEL</b> SMRA – N/A Aggregate -

<b>Rationale:</b>			
Any limits should be introduced to reflect the capabilities of the system and not to be an arbitrary figure. Suppliers should <b>not</b> be mandated to use this process. They should have the choice to decide which process to follow.			
<b>Q4</b>	<b>Do you agree with the principles outlined for inclusion within the MRA?</b>	NO	
<b>Rationale:</b>			
See the rationale in Q3 above.			
<b>Q5</b>	<b>In order to inform the discussion on proposed Implementation Dates for P63 please indicate your preferred Implementation Date and provide a rationale for your answer.</b>	<b>Date</b>	<b>Preferred Yes/No</b>
		Quarter 4 2002	
		Quarter 1 2003	
		Quarter 2 2003	YES
		Quarter 3 2003	
		Quarter 4 2003	
<b>Rationale:</b>			
A Quarter 2003 implementation would coincide with metering competition.			
<b>Q6</b>	<b>The VAMG have attempted to draw a balance between the defect identified by P63 and the desire to address issues associated with agent failure. This has resulted in a solution that obliges Suppliers to retain additional data in order to initiate the Bulk Change of Agent process in the event of an Agent Failure.</b>  <b>Do you believe there are any additional steps or processes that could be introduced within the confines of P63 that would further reduce the risk to Settlement of a failing Agent. If your answer is yes please provide further detail below.</b>	N/A	
<b>Q7</b>	<b>Do you agree with the principles outlined within the attached MRA Principle Changes document, which will be developed into a formal MRA Change Proposal?</b>	N/A	
<b>Q8</b>	<b>Do you have any comments to make on the attached draft legal text for P63?</b>	NO	
<b>Please provide comments:</b>			
<b>Q9</b>	<b>Do you have any further comments to make on P63?</b>	YES	

**Please state your comments:**

While the principles appear sound, without a detailed impact assessment on both Suppliers' and agents' registration systems, it is difficult to assess the full consequences of this modification proposal.

**ATTACHMENT 1 – PROPOSED TEXT TO MODIFY THE BSC**

The clean and conformed versions of the proposed legal changes to the Code are contained within a separate document.

The VAMG has reviewed the proposed legal text and has confirmed that, in their opinion, it addresses the defect raised within the Modification Proposal.

**ATTACHMENT 2 – CODE SUBSIDIARY DOCUMENTS CHANGED FOR P63**

The following Code Subsidiary Documents are impacted by P63 and they are provided as separate documents:

- BSCP501 'Supplier Meter Registration Service'
- BSCP504 'Non-Half Hourly Data Collection For SVA Metering Systems Registered In SMRS'
- BSCP505 'Non-Half Hourly Data Aggregation For SVA Metering Systems Registered In SMRS'
- BSCP513 'Bulk Change Of NHH Party Agent'
- PSL110 'SVA Meter Operation'
- PSL120 'Non Half Hourly Data Collection'
- PSL140 'Non Half Hourly Data Aggregation'
- PSL160 'Supplier Meter Registration Service'