

Responses from Third P63 Assessment Consultation

Consultation issued 30 July 2002

Representations were received from the following parties:

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.		P63_ASS3_013	
14.		P63_ASS3_014	
15.		P63_ASS3_015	

P63 ASSESSMENT PROCEDURE CONSULTATION 3 – PRO-FORMA

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

Respondent:	Gareth Swales		
Responding on Behalf of	Electricity Direct (UK) Limited		
Role of Respondent	Supplier		
	Questions	YES/NO	
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	
Rationale:			
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	
Rationale:			
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 -	
Rationale: 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	
Rationale:			
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	
Rationale:			
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

P63 ASSESSMENT PROCEDURE CONSULTATION 3 – PRO-FORMA

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

Respondent:	Terry Marquand
Responding on Behalf of	21 BSC Parties
Role of	Supplier

Respondent			
	Questions	YES/NO	
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	
Rationale: 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	
Rationale: 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.	LEVEL SMRA – 20,000 Aggregate – 75,000	
Rationale: 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.	Date	Preferred Yes/No
		Quarter 4 2002	
		Quarter 1 2003	
		Quarter 2 2003	Y
		Quarter 3 2003	
		Quarter 4 2003	
Rationale: 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	<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>	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 Transfer solution.</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>	Yes – as far as they go.
<p>It is noted that the question of medium for Bulk Transfers 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>		
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> <ul style="list-style-type: none"> (i) How and where are the threshold figures agreed by PAB to be published? These thresholds need full visibility to the industry. (ii) We feel that the applicant should be obliged to inform PAB when a Bulk Transfer has been completed, to close the loop. 		

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 transfer 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 transfer 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 transfer 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 transfer process - The bulk transfer 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 transfer 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 transfer 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.

Best wishes

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

P63_ASS3_004 – SEEBOARD Energy

P63 ASSESSMENT PROCEDURE CONSULTATION 3 – PRO-FORMA

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

Respondent:	Dave Morton	
Responding on Behalf of	SEEBOARD Energy Limited	
Role of Respondent	Supplier	
	Questions	YES/NO
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
Rationale: Should assist with competition in Supply.		
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

Rationale:			
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 –
		Aggregate -	
Rationale:			
We have no specific views on levels at which a PAB mandate should be sought.			
Q4	Do you agree with the principles outlined for inclusion within the MRA?	Yes	
Rationale:			
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	No
		Quarter 4 2003	No
Rationale:			
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	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.	No	
		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.	
Rationale:			
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	
Rationale:			

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?	Yes
Please state your comments:		
<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

P63 ASSESSMENT PROCEDURE CONSULTATION 3 – PRO-FORMA

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

Respondent:	Richard Harrison Npower Ltd
Responding on Behalf of	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
Role of Respondent	Supplier/Data Collector/Data Aggregator/ Meter Operator Agent

	Questions	YES/NO	
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 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.			
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: 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.			
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 – Aggregate -	
Rationale: The level should not be set.			
Q4	Do you agree with the principles outlined for inclusion within the MRA?	No	
See No. 1			
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 NONE!
		Quarter 4 2002	
		Quarter 1 2003	
		Quarter 2 2003	
		Quarter 3 2003	
		Quarter 4 2003	
Rationale:			

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>	
<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>		
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>	No
<p>See No.1</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> <p>There seems little sense on creating a bulk transfer 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

P63 ASSESSMENT PROCEDURE CONSULTATION 3 – PRO-FORMA

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

Respondent:	Paul Waite	
Responding on Behalf of	LE Group	
Role of Respondent	Supplier	
	Questions	YES/NO

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	
Rationale: Reflects the needs of the industry and the benefits of commercial arrangements.			
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	
Rationale: 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.			
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 – Aggregate -	
Rationale: 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.			
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	No
		Quarter 3 2003	No
		Quarter 4 2003	No
Rationale: 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.			

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.	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?	Yes
Please state your comments:		
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

P63 ASSESSMENT PROCEDURE CONSULTATION 3 – PRO-FORMA

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

Respondent:	Sue Pritchard	
Responding on Behalf of	Aquila Networks plc; Metering Services Ltd (MSL)	
Role of Respondent	Distributor/MPAS/Data Collector/Data Aggregator/ Meter Operator Agent	
	Questions	
Q1	Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates	NO

	the applicable BSC Objectives?	
<p>Rationale:</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	<p>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.</p>	
<p>Rationale:</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	<p>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.</p>	<p>LEVEL SMRA – Aggregate -</p>

Rationale:

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.

This poses the question: should the threshold be determined by

- i) the number of Agent Changes based on appointment date or;
- ii) the number of Agent Changes based on volume to be processed per processing day?

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.

NHHDA is fed from the MPAS system so would be reliant on MPAS Service Providers setting an appropriate limit.

Q4	Do you agree with the principles outlined for inclusion within the MRA?	Yes
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(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.

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	No
		Quarter 4 2003	No

Rationale:

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).

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"> 1. 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. 2. 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)? 3. 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? 4. 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. 		

P63 ASSESSMENT PROCEDURE CONSULTATION 3 – PRO-FORMA

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

Respondent:	Graham Smith	
Responding on Behalf of	Please list all Parties responding on behalf of (including the respondent company if relevant).Western Power Distribution (South West) & Western Power Distribution (South Wales)	
Role of Respondent	Data Collector Data Aggregator Meter Operator Agent SMRA Distributor	
	Questions	YES/NO
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
<p>Rationale: 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	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		
<p>Rationale: 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	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 – 3000 Aggregate – 3000*		
<p>Rationale: 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>Rationale: 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
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
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.		
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_09 – SEEBOARD Power Networks

P63 ASSESSMENT PROCEDURE CONSULTATION 3 – PRO-FORMA

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

Respondent:	Bob Brennan	
Responding on Behalf of	Please list all Parties responding on behalf of (including the respondent company if relevant). SEEBOARD Power Networks	
Role of Respondent	(/SMRA/	
	Questions	YES/NO
Q1	Do you believe that the Modification Proposal as described by the consultation document, attached legal text and BSCP better facilitates	No

	the applicable BSC Objectives?													
<p>Rationale: 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.</p>														
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												
<p>Rationale: 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.</p>														
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 – 10,00 Aggregate - ?												
<p>Rationale: 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.	<table border="1"> <thead> <tr> <th>Date</th> <th>Preferred Yes/No</th> </tr> </thead> <tbody> <tr> <td>Quarter 4 2002</td> <td>No</td> </tr> <tr> <td>Quarter 1 2003</td> <td>No</td> </tr> <tr> <td>Quarter 2 2003</td> <td>Yes</td> </tr> <tr> <td>Quarter 3 2003</td> <td>Yes</td> </tr> <tr> <td>Quarter 4 2003</td> <td>No</td> </tr> </tbody> </table>	Date	Preferred Yes/No	Quarter 4 2002	No	Quarter 1 2003	No	Quarter 2 2003	Yes	Quarter 3 2003	Yes	Quarter 4 2003	No
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>Rationale: 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	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.	
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

P63 ASSESSMENT PROCEDURE CONSULTATION 3 – PRO-FORMA

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

Respondent:	LE Group	
Responding on Behalf of	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	
Role of Respondent	(Supplier/Data Collector/Data Aggregator/ Meter Operator Agent/SMRA/Other) Suppliers, NHHDC, NHHDA, NHHMOA and SMRAs	
	Questions	YES/NO
Q1	Do you believe that the Modification Proposal as described by the	Yes

	consultation document, attached legal text and BSCP better facilitates the applicable BSC Objectives?		
Rationale: 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.			
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
Rationale: 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.			
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 – 20,000 Aggregate –	
Rationale: 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	
Rationale: 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.			

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**

Please state your comments:

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 Supplier 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

P63 ASSESSMENT PROCEDURE CONSULTATION 3 – PRO-FORMA

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

Respondent:	Andrew Latham	
Responding on Behalf of	Please list all Parties responding on behalf of (including the respondent company if relevant). British Gas	
Role of Respondent	Supplier	
	Questions	YES/NO
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

Rationale:
 (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;
 (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

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
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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 & other 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.	25,000 for SMRA
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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 suppliers to have the opportunity to use normal processing wherever possible and to only use BCoA where absolutely necessary.

Q4	Do you agree with the principles outlined for inclusion within the MRA?	Yes
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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.

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.

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.

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	

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.

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
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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.

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
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Please refer to question 4

Q8	<p>Do you have any comments to make on the attached draft legal text for P63?</p>	No
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Please provide comments:

Q9	<p>Do you have any further comments to make on P63?</p>	Yes
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Please state your comments:

Items to be considered below for further discussion/ clarification.

1. Needs to be a given time for submission to PAB i.e. 1 week prior ?
2. What timescales for turn around could be expected by PAB i.e. one meeting.
3. 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.
4. 4.2.7 highlights the need for a proposed timetable & methodology for carrying out the agent replacement. An industry wide template should be a requirement that all suppliers wishing to migrate complete this document.

P63 Assessment Consultation 3 v10.pdf

- **Page 2 Section 2 para 2 line 2**

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.

- **Page 3 "Cost and Cost Allocation"**

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?

- **Page 4 "Risk to Settlement...."**

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.

Draft Code Changes.pdf

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?

BSCP513 v0.2.pdf

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.