

Responses from P52 Draft Modification Report Consultation

Consultation issued 25 February 2002

Representations were received from the following parties:

No	Company	File Number	No. Parties Represented
1.	Invensys	P52_MR_001	N/a
2.	TXU	P52_MR_002	1
3.	SEEBOARD	P52_MR_003	2
4.	GPU Power UK	P52_MR_004	1
5.	ScottishPower UK plc	P52_MR_005	5
6.	Scottish & Southern Energy plc	P52_MR_006	4
7.	British Gas Trading	P52_MR_007	3
8.	British Energy	P52_MR_008	3

P52_MR_001 – Invensys

Subject: P52 Report Comments

NO IMPACT

P52_MR_002 – TXU

We support the conclusions and recommendations as drafted.

P52_MR_003 – SEEBOARD

With respect to the above mentioned modification we agree with recommendations within section 1.1 of draft modification report dated 25th February.

Dave Morton
SEEBOARD Energy Limited
SEEBOARD Power Networks plc

P52_MR_004 – GPU Power UK

Please find that GPU Power UK response to P52 - Non Party Access to the BMRS via the High Grade Service is 'No Comment'.

Rachael Gardener
Deregulation Control Group &
Disribution Support Office
GPU POWER.NETWORKS (UK) plc

P52_MR_005 – ScottishPower UK plc

P52 Draft Modification Report Comments

With reference to the above, I would refer you to our previous comments on the proposal.

In this consultation response, we would like to indicate our support for the Alternative Modification. We believe this meets the Applicable BSC Objective relating to the promotion of effective competition in generation and supply. The provision of the High Grade Service to non-BSC Parties should help to develop data analysis services which would be of use to potential new entrants to the trading arrangements. The additional processing fee of £250 for a non-BSC Party's application to use the Service should also allow for adequate cost recovery in terms of the administration involved. While £250 may be sufficient at the moment, we would, of course, expect that fee to be subject to change after a review if it was deemed no longer adequate for cost recovery in the future.

In our last response, we indicated our support for Qualification testing to be carried out on non-BSC parties' system as a 'pre-condition' for the provision of the High Grade Service, due to the importance of this system. This is not included in the final recommendation. While we note that Elexon's technical experts believe FTP testing is sufficient in this regard, we would reiterate our concern that the robustness of systems should be a prime consideration when assessing a non-BSC Party's application.

We have considered the legal drafting provided in the Report and are generally satisfied that it is appropriate. We would point out a minor change in V 2.3.1(a) - the addition of "and" at the end of (a)(i)."

I trust that you will find these comments helpful. Nonetheless, should you require further clarification of any of the above, please do not hesitate to contact me.

Yours Sincerely,
Man Kwong Liu
Calanais Ltd.

For and on behalf of: - Scottish Power UK Plc.; ScottishPower Energy Trading Ltd.; Scottish Power Generation Ltd.; Scottish Power Energy Retail Ltd.; SP Transmission Ltd.

P52_MR_006 – Scottish & Southern Energy plc

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 Draft Modification Report for Modification Proposal P52 contained in your note of 25th February 2002; we continue to have concerns regarding making information available to non BSC parties due to the potential complexity and cost of managing all of these arrangements (cost being measured not only in £ notes but also the lost opportunity cost through deployment of key resources at Elexon to address the requirement).

Regards
Garth Graham
Scottish & Southern Energy plc

P52_MR_007 – British Gas Trading

Thank you for the opportunity of responding to this consultation. This response is on behalf of British Gas Trading Ltd, Centrica King's Lynn and Centrica Peterborough Ltd.

We support the implementation of this proposal although we would note the following:

- We are disappointed that the Modification Group did not consider a Qualification Test to be necessary for Non BSC Parties that wish to access the BMRS via the High Grade Service. Suitable test processes should be in place to ensure system security for all participants.

- The access of Non BSC Parties must be restricted to the correct subset of data. We note that this has been discussed by the Modification Group and would seek reassurance and information on how this will be achieved. This must be provided for comment prior to any decision by the Authority.
- We support the principle of an initial, one off administration charge as written in the alternative mod, but we would suggest that the level has been set too low and believe there should be some contingency for the charge to be raised and costs recovered should this prove to be the case. We believe this would address any concerns of unexpected cross subsidy.
- The Assessment report states that no project brief had been issues as no software changes to BSC Systems will be required. Whilst we recognise this may be the case we are concerned that no reassurance has been given that the service can cope with the addition of any number of extra sites requiring the data. We believe it would be helpful for an explicit statement of intent to be given to BSC Parties that should there be any degradation to the service they receive there will either be a termination of non-BSC Party contracts or appropriate upgrades made to central systems. If the latter is the case then BSC Parties should not incur any cost.

We hope these comments are useful. Should you wish to discuss any of the points in more detail please do not hesitate to contact me in the first instance on the number given above.

Yours faithfully
Danielle Lane
Transportation Analyst

P52_MR_008 – British Energy

Modification Proposal P52 - Non-Party Access to the BMRS via the High Grade Service

Whilst supportive in principle of allowing non-party access to the BMRS via the High Grade Service, because of the perceived benefits in achieving BSC competition objectives (through transparency), we have concerns that aspects of the drafted recommended alternative modification will not better meet BSC objectives of efficiency (through not targeting costs on those causing them and not giving market participants priority in service provision).

Particular concerns, which were indicated in our response of 23/01/02 and have not been fully addressed, are:

- (1) the non party should contribute towards the costs of the service, in particular the full incremental cost of their connection,
- (2) non party usage should not be allowed to adversely affect the performance of the service for BSC Trading Parties ie. not a firm service - subject to suspension or termination in the event that the service to Trading Parties is adversely affected.

The issue of costs has been partly addressed (proposed V2.3.4(a)), but we believe the £250 special one-off charge is insufficient to cover the costs of Elexon and its agents preparing and agreeing contracts, advising and assisting non-parties with connection and usage, and administering payment of the standard charges. In practice, the cost per non-party user is likely to depend on the level of demand, which we expect to be low. An initial sum of £5000 (approximately 5 man-day of Elexon effort, including legal) plus ongoing administration and on-demand service charges seem more appropriate (Elexon would need to advise on likely costs). A method also needs to be found to charge non-parties for additional costs arising from BMRS communication system developments in future, in particular any concerned with traffic volume.

Trading Parties should take precedence over Non-Parties in the event of volume or communications difficulties where termination or suspension of service to some parties would resolve the problem, to ensure smooth and efficient operation of the electricity market as far as possible. This should be made clear in either the BSC or the commercial contract with the non-Party.

Martin Mate
for
British Energy Power & Energy Trading Ltd
British Energy Generation Ltd
Eggborough Power Ltd