

January 2002

**MODIFICATION REPORT**  
**MODIFICATION PROPOSAL P43**  
**Provision of Annualised Advance and**  
**Estimated Annual Consumption Data**

Prepared by ELEXON on behalf of the Balancing and  
Settlement Code Panel

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## 1 SUMMARY AND RECOMMENDATIONS

### 1.1 Recommendation

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal, and the resultant findings of this report, the Panel recommends to the Authority that:

**Modification Proposal P43 should be rejected.**

### 1.2 Background

Modification Proposal P43 was submitted on 1 October 2001 by Western Power Distribution (S West). The Modification Proposal seeks to modify the BSC, relevant Code Subsidiary Documents and other Configurable Items so that Non Half Hourly Data Collectors (NHHDCs) send Metering System Annualised Advance (AA) and Estimated Annual Consumption (EAC) data to the relevant Public Distribution System Operator (PDSO).

The Panel agreed that Modification Proposal P43 should be submitted to the Assessment Procedure and assessed by the Volume Allocation Modification Group. The Modification Group assessed the Modification Proposal and prepared an Assessment report that was presented to the Panel meeting on 13 December 2001. The Assessment Report recommended that the Modification Proposal should be rejected.

The Panel considered the Assessment Report, which may be found on the BSC website at [www.elexon.co.uk](http://www.elexon.co.uk), at its meeting on 13 December 2001. The Panel agreed that the Modification Proposal should proceed to the Report Phase and that the draft Modification Report, to be consulted upon, should contain a recommendation to the Authority that the Modification Proposal should be rejected.

### 1.3 Rationale for Recommendations

The Panel endorsed the Modification Group's conclusions that the Modification Proposal would not better facilitate the Applicable BSC Objectives as set out in Condition C3 of the Transmission Licence. In particular, the Panel agreed with the views of the Modification Group that the Modification Proposal could possibly lead to reduced distribution costs but there was no strong evidence to support this. The Panel also agreed that even if there were reduced distribution costs they would not necessarily lead to lower Distribution Use of System charges and that it was unclear as to whether the Modification Proposal would better facilitate achievement of the Applicable BSC Objectives. The Panel agreed that the Modification Proposal would not better facilitate achievement of the Applicable BSC Objectives.

In reaching this conclusion, the Panel took due account of the views of the Proposer, all representations received from interested parties and the views of the Modification Group. This Modification Report should be read in conjunction with the Modification Group's Assessment Report.

## 2 INTRODUCTION

This 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 ('BSC'). 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 BSC.

This Modification Report is addressed and furnished to the Gas and Electricity Markets Authority ('the Authority') and none of the facts, opinions or statements contained herein may be relied upon by any other person.

An electronic copy of this document can be found on the BSC website, at [www.elexon.co.uk](http://www.elexon.co.uk). This document should be read in conjunction with the Assessment Report for Modification Proposal P43 which may also be found on the BSC website at [www.elexon.co.uk](http://www.elexon.co.uk).

### **3 HISTORY OF PROPOSED MODIFICATION**

Modification Proposal P43 was submitted on 1 October 2001 by Western Power Distribution (S West). An Initial Written Assessment was prepared by ELEXON and presented to the Panel meeting on 18 October 2001. The Panel agreed that Modification Proposal P43 should be submitted to the Assessment Procedure, and that the Assessment Report should be presented to the Panel meeting on 13 December 2002. The Modification Proposal was assessed by the Volume Allocation Modification Group that held two meetings on 25 October 2001 and 22 November 2001 and an Assessment Report was submitted to the Panel meeting on 13 December 2001. The Assessment Report concluded that the Modification Proposal would not better facilitate achievement of the Applicable BSC Objectives and that the Modification Proposal should be rejected.

The Panel meeting on 13 December 2001 considered the Assessment Report and agreed that the Modification Proposal should proceed to the Report Phase. The Panel agreed and that a draft Modification Report be prepared and issued for consultation with a recommendation to the Authority that Modification Proposal P43 should be rejected. A draft Modification Report was sent for consultation on 19 December 2001. The draft Modification Report has been updated in the light of the consultation responses and submitted to the Panel meeting on 17 January 2002.

### **4 DESCRIPTION OF PROPOSED MODIFICATION**

Modification Proposal P43 seeks to modify the BSC, relevant Code Subsidiary Documents and other Configurable Items so that NHHDCs send Metering System AA and EAC data additionally to the Relevant PDSO.

Section S, paragraph 2.3.2 (i), and Annex S-2, paragraph 4.3 1 (i), of the BSC require the NHHDC to provide validated Metered Data and Metering System reports to the relevant Supplier and the Relevant Distribution System Operator (DSO). The reference to validated Metered Data covers the provision of meter readings to DSOs. However, the BSC is unclear as to which specific Metering System reports are to be sent to the DSO and as to whether this includes EAC and AA data.

BSCP504 'Non-Half Hourly Data Collection for SVA Metering Systems Registered in SMRS', PSL120 'Non Half Hourly Data Collection', the SVA Data Catalogue and the MRA Data Transfer Catalogue refer to the NHHDC sending a D0019 data flow containing AA and EAC data to the NHHDA and the relevant Supplier. The relevant DSO is not a recipient of this data flow.

The Modification Proposal stated that, following separation of the Supply and Distribution Businesses, the PDSO no longer has access to AA and EAC data. The PDSO requires an accurate forecast of consumption to enable it to calculate loading on its network and to forecast demand. The Modification Proposal suggests amending the BSC so as to require the NHHDC to send AA and EAC data additionally

to the PDSO via the existing D0019 data flow. This would also require modifications to BSCP504, PSL120, the SVA Data Catalogue and the MRA Data Transfer Catalogue to require the NHHDC to send AA and EAC data to the PDSO as well as to the relevant NHHDA and the relevant Supplier. No changes would be required to BSC Systems.

## **5 RATIONALE FOR PANEL RECOMMENDATIONS**

The Panel recognised that some DSOs would benefit from implementation of the Modification Proposal. However, the result of the consultation responses showed that, although some DSOs did support the provision of AA and EAC data, there was no widespread support for such provision. In addition, the consultation responses also showed that the majority of those responding felt that the main beneficiaries of the Modification Proposal and the possible alternatives were the DSOs. Further, the responses showed an even stronger majority in favour of the costs of providing the AA and EAC data being born by the DSOs.

The Panel agreed that the Modification Proposal could possibly lead to reduced distribution costs but that there was no strong evidence to support this. The Panel also agreed that even if there were reduced distribution costs they would not necessarily lead to lower DUoS charges and that it was unclear as to whether the Modification Proposal would better facilitate achievement of the Applicable BSC Objectives.

In the light of the Assessment Report prepared by the Modification Group, the Panel agreed that the Modification Proposal would not better facilitate achievement of the Applicable BSC Objectives and should be rejected.

However, the Panel recognised that, if a DSO felt that it was necessary to receive AA and EAC data, alternative routes to obtain this data were available. In particular, it would be possible for the DSO to propose a change to their Distribution Use of System Agreement to require Suppliers to provide the data. Any such change would then be applicable to all Suppliers and if a Supplier objected to the proposed change an appeal could be made to the Authority.

## **6 LEGAL TEXT TO GIVE EFFECT TO THE PROPOSED MODIFICATION**

No legal text has been drafted during the Assessment Procedure for the Modification Proposal. In accordance with Section F, paragraph 2.7.3 the Panel has consulted with the Authority which has agreed that no legal text for the Modification Proposal should be commissioned at this time.

## **7 ASSESSMENT**

This section of the report summarises the assessment carried out by the Volume Allocation Modification Group during the Assessment Procedure. Full details are contained in the P43 Assessment Report, which may be found on the BSC website at [www.elexon.co.uk](http://www.elexon.co.uk).

The Modification Group identified two possible alternatives to the provision of AA and EAC data. One required NHHDCs or Non Half Hourly Data Aggregators (NHHDA) to provide PDSOs with a regular 'snapshot' of AA and EAC data. The other possible alternative was for PDSOs to install their own metering systems at feeder level in their own networks. The Modification Group carried out a consultation and impact assessment on the Modification Proposal and the two alternatives.

Following receipt of the responses to the consultation and impact assessment, the Modification Group considered whether the Modification Proposal or the possible alternatives better facilitated achievement

of the Applicable BSC Objectives. The result of the consultation responses showed that, although some PDSOs did support the provision of AA and EAC data, there was no widespread support for such provision. The consultation responses also showed that the majority of those responding felt that the main beneficiaries of the Modification Proposal and the possible alternatives were the PDSOs and that the costs of providing the AA and EAC data should be born by the PDSOs. The Modification Group did not feel that an Alternative Modification could be identified.

The Modification Group agreed that the Modification Proposal could possibly lead to reduced distribution costs but there was no strong evidence to support this. However, the Modification Group thought that even if there were reduced distribution costs they would not necessarily lead to lower DUoS charges. The Modification Group also felt that it was unclear as to whether the Modification Proposal would better facilitate achievement of the Applicable BSC Objectives and that a recommendation should be made to the Panel that the Modification Proposal should be rejected.

The Modification Group recognised that, if a PDSO felt that it was necessary to receive AA and EAC data, an alternative route would be for the PDSO to propose a change to their Distribution Use of System Agreement to require Suppliers to provide the data. Any such change would then be applicable to all Suppliers and if a Supplier objected to the proposed change an appeal could be made to the Authority.

## **8 SUMMARY OF REPRESENTATIONS**

Seven responses representing seventeen Parties were received to the consultation on the draft Modification Report. No new substantive issues were raised (over and above those already discussed in the Assessment Report and/or draft Modification Report).

Four of the responses representing eight Parties supported the recommendation to reject the Modification Proposal. One response representing seven Parties accepted that the Modification Proposal should be rejected, as there did not appear to be a wider requirement for the provision of EAC and AA data to PDSOs. However, the response also felt that the issue could be revisited should there be sufficient support in the future. Two of the responses representing two Parties did not support rejection of the Modification Proposal as they felt that the provision of the proposed data would assist in planning and developing the network and improve settlement data quality.

## ANNEX 1 – REPRESENTATIONS

### Responses from P43 Draft Modification Report Consultation

Consultation issued 19 December 2001

Representations were received from the following parties:

No	Company	File Number	No. Parties Represented
1.	Siemens Metering	P43_MR_001	1
2.	Scottish & Southern	P43_MR_002	2
3.	Innogy	P43_MR_003	1
4.	Powergen UK plc	P43_MR_004	4
5.	SEEBOARD	P43_MR_005	1
6.	London Power Networks Ltd	P43_MR_006	1
7.	Scottish Power UK plc	P43_MR_007	7

#### P43\_MR\_001 – Siemens Metering

Although we agreed in principle with the Change Proposal (CPC 064) in our impact assessment response, we did indicate that there would be an impact on our systems and therefore are happy to support its rejection as there would be costs involved in making the change and no direct benefit to us.

Roger Grew

Siemens Metering (Nottingham)

There remains no impact, one way of the other , on Siemens Metering Datacare.

#### P43\_MR\_002 – Scottish & Southern

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

In accordance with our previous comments on this Proposal (P 43), we agree with the Modification Group's recommendation that the Panel recommend to the Authority that this Proposal be rejected.

Regards

Garth Graham

#### P43\_MR\_003 – Innogy

The Innogy Group of Companies supports the Panel's recommendation regarding P43.

Regards,

Terry Ballard

01905-340507

07989-493038



**P43\_MR\_004 – Powergen UK plc**

I am writing in response to the consultation on the above draft modification report. This response is made on behalf of Powergen UK plc, Powergen Retail Limited, Diamond Power Generation Limited and Cottam Development Centre Limited.

We agree with the Panel that the proposal should be rejected. It is not clear that the proposal would better achieve the BSC objectives and appears to be more an issue for DUoS agreements.

Yours sincerely,

Paul Jones

Strategy and Regulation

**P43\_MR\_005 – SEEBOARD**

We note the recommendation in this report. However, SEEBOARD regret that this modification proposal has been rejected as the information provided would have assisted DNOs to plan and develop an efficient network. In the long term an efficient network is likely to lead to lower DUoS charges and therefore to both lower supplier costs and customer benefit.

Sue Fraser

for Dave Morton

0190 328 3465

**P43\_MR\_006 – London Power Networks Ltd**

This response is on behalf of London Power Networks Ltd :

We note the recommendation of the panel, however we still feel that this modification merits further consideration.

Essentially we are concerned with data integrity issues from the point of view of DUoS billing, and these will present themselves as GSP Group correction issues. Hence all parties to the BSC will be affected.

In order for us to play a role in the investigation and resolution of these problems PDSO's require individual MPAN level AA /EAC data. As the distribution company can be the only party who will (if this modification is approved) be in a position to have access to data for all MPANs within a GSP group we believe we believe we can play an important role together with Elexon in helping to improve settlement data quality.

Harish Mistry

for London Power Networks Ltd part of London Electricity Group

**P43\_MR\_007 – Scottish Power UK plc**

I would like to thank you for this opportunity to comment on the Modification Report for P43 - Provision of Annualised Advance and Estimated Annual Consumption Data.

As previously indicated, it is our view that the Proposer's request for the provision of this data is a reasonable one and we would support their right, in principle, to receive it. However, we also recognise that there may be reluctance amongst other parties to share the additional costs that this could entail,

particularly where the option exists for PDSOs to enter into individual commercial arrangements with Suppliers and their agents. Indeed, as the proposer does not appear to have established the existence of a wider requirement among PDSOs for the data, this may offer an alternative to altering the Code. Nonetheless, we would be willing to revisit this issue, perhaps under the terms of a Modification Proposal that better facilitates the Applicable BSC Objectives, should there prove to be sufficient call for it.

I trust you will find these comments helpful.

Yours Sincerely,

James Nixon

***Calanais Ltd***

*For and on behalf of:*

**Scottish Power UK plc**

**SP Energy Trading Ltd**

**SP Generation Ltd**

**Scottish Power Energy Retail Ltd**

**Emerald Power Generation Ltd**

**SP Transmission Ltd**

**SP Manweb plc**