

Responses P83 Assessment Consultation

Consultation issued 22 May 2002

Representations were received from the following parties:

No	Company	File Number	No. Parties Represented
1.	Npower	P83_ASS_001	9
2.	Powergen	P83_ASS_002	1
3.	Edison Mission Energy	P83_ASS_003	4
4.	BP Gas Marketing	P83_ASS_004	1
5.	TXU Europe	P83_ASS_005	21
6.	SEEBOARD	P83_ASS_006	1
7.	Scottish and Southern Energy	P83_ASS_007	4
8.	Scottish Power	P83_ASS_008	5
9.	British Gas Trading Ltd	P83_ASS_009	1
10.	London Electricity	P83_ASS_010	1
11.	TotalFinaElf Gas & Power Ltd	P83_ASS_011	1
12.	British Energy (late response)	P83_ASS_012	3

P83_ASS_001 – Npower

This is the response on behalf of the following BSC Signatories:

Innogy plc, Innogy Co-gen Ltd, Innogy Co-generation Trading Ltd, NPower Direct Ltd, Npower Ltd, Npower Northern Ltd, Npower Northern Supply Ltd, Npower Yorkshire Ltd, Npower Yorkshire Supply Ltd.

We support the proposal under P83 to extend the deadline under Para 6 of Section P of the BSC by 5 business days. We believe that this modification will better facilitate the BSC Applicable Objectives by allowing a related modification to be fully evaluated thus potentially reducing the number of instances to be considered under the recently approved claims process.

Regards,

Terry Ballard

P83_ASS_002 – Powergen

Powergen supports Modification P83, in order to allow proper discussion of the issues raised in P84.

Tim Johnson

Head of Business Change and Control
Energy Trading Department
Powergen plc

P83_ASS_003 – Edison Mission Energy

Thank you for the opportunity to respond to the urgent Modification Proposal P83. I am responding on behalf of Edison Mission Energy, representing BSC Parties First Hydro Company, Edison First Power and Lakeland Power.

We oppose the modification proposal and believe that the deadline for submissions should remain as 5 business days after BSC P6 comes into effect.

This is because

- 1) The 5 day deadline has been planned since the original legal drafting of P37, so any reasonable and prudent operator has had plenty of time in which to prepare its claim(s).
- 2) The 'defect' that P83 and P84 claim to address was clear from the original P37 drafting - i.e. multiple claims would be needed for a single error spanning a number of Volume Notifications. If this was a problem, an

amendment to P37 should have been proposed rather than waiting until 2 days before the claims deadline.

3) It is not the case that anything has 'made the process of putting together claims significantly more complex' than could already have been expected a number of months ago.

We believe that the proposal does not support the BSC objectives. In particular it does not 'promote efficiency in the implementation and administration of the balancing and settlement arrangements'. In fact the opposite is true - this proposal injects confusion into the implementation and administration of the BSC by casting doubt over the BSC P6 Claims deadline whilst prudent BSC Parties are preparing any claims to be submitted in 2 days time.

Regards,
Mark Edwards
Edison Mission Energy

P83_ASS_004 – BP Gas Marketing

BP Gas Marketing Ltd support proposal that the deadline for claims under Paragraph 6 of Section P of the BSC should be extended by 5 Business Days. The requirement for parties to submit multiple claims for a single error spanning a number of Volume Notifications places a complex and burdensome process upon already stretched resources. To this end, it is not unreasonable to allow parties sufficient time to prepare their claims, while ensuring that a definitive end point is prescribed.

This proposal would better facilitate the achievement of the Applicable BSC Objectives under condition C3, paragraph 3, (d) "promoting efficiency in the implementation and administration of the balancing and settlement arrangements", in that parties should be allowed time to enter correct claims to promote efficiency in the claims clearing process within the arrangements.

Best regards,

Ian M. Mullins
Regulatory Advisor

BP Gas, Power & Renewables

P83_ASS_005 – TXU Europe

The final legal drafting for P37 has been available since November last year. We believe that this should have provided sufficient opportunity for those wishing to prepare claims to do so. The drafting of P37 stated that

the claim is in respect of each Notification that was in error and that claims would be required to be lodged within 5 working days of the Proposal being implemented. In view of this we do not feel that this Modification Proposal (P83) should be implemented.

Phil Russell
for 21 TXU BSC Parties

P83_ASS_006 – SEEBOARD

With respect to modification proposal P083. This part of BSC is one that we have always considered not to better facilitate BSC objectives. Its introduction was opposed by most BSC Parties on these grounds. We, therefore, feel that this change will not better facilitate BSC objectives and should be rejected.

Timescales within this paragraph were available for comment for several months during introduction of these facilities. BSC Parties had ample opportunity to have considered all aspects of these changes and proposed an amendment at that time.

Dave Morton
SEEBOARD Energy Limited

P83_ASS_007 – Scottish and Southern Energy

Dear Sirs,

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 Urgent Modification Consultation on Modification Proposal P83, contained in your note of 22nd May 2002, and in view of the linkage with P37, our comments on the question of do we believe that the deadline for claims should be extended by five business days is that we do NOT agree with this. For the avoidance of doubt, we feel that the Panel should recommend to the Authority that this Modification Proposal P83 be Rejected.

Our rationale is that BSC Parties have had plenty of time to consider the issues associated with P37. If there were issues etc., that they had, then they were provided with amply time during the P37 Consultation process to seek clarification of the issues now raised in P84, (for which a five day delay is now being sought via P83).

We also wish to point out that the timescale for assessing and submitting claims, under P37, is already very tight and it is not reasonable that the basis on which claims are submitted be thrown into confusion just hours before the

deadline.

Regards

Garth Graham
Scottish & Southern Energy plc

P83_ASS_008 – Scottish Power

This response is submitted on behalf of Scottish Power UK Plc, Scottish Power Generation Limited, ScottishPower Energy Trading Limited, ScottishPower Energy Retail Limited and Emerald Power Generation Ltd.

ScottishPower fully supports P83 for Amendment To Process For Past Notification Errors. Our views on the question posed in the consultation paper are as follows:-

Do you agree that the deadline for claims under Paragraph 6 of Section P of the BSC should be extended by 5 Business Days ? – Yes.

The purpose of P83 is to allow an appropriate period of time to consider P84. P84 raises an important point in respect of claims to be submitted for erroneous contract notifications which should be addressed and resolved prior to the deadline for submitting claims. The effect of refusing P83, in practical terms, is to decide against P84 or at the very least prevent a proper consideration of it.

P84 proceeds on the basis of three suggested solutions to the problem identified. It is unrealistic to expect the principle to be considered and (in the event that there is support for the proposal) for the legal drafting to be resolved satisfactorily in the time available. P84 raises an issue which is relevant to the claims which, at present, must be submitted by Friday 24 May 2002. Parties should have the opportunity of considering that issue properly. It is difficult to see how any Party would be prejudiced if the deadline is extended to 31 May 2002 whereas if it is not P84 will effectively be refused.

We believe that P83 would better facilitate the achievement of the following BSC objectives:-

- (a) the efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence;
- (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;

By allowing a proper consultation as to whether P37 does discriminate against Parties due to the processes utilised by them and to avoid any ambiguity in the requirements to be met in submitting claims.

- (d) promoting efficiency in the implementation and administration of the balancing and settlement arrangements;

By allowing the Modification Proposal to be considered appropriately and potentially limiting the number of claims.

Mike Harrison
Scottish Power

P83_ASS_009 – British Gas Trading

Dear Sir

Urgent Modification Proposal 83: Amendment to Process for Past Notification Errors

Thank you for the opportunity of responding to this consultation on the above Urgent Modification Proposal. This response is on behalf of British Gas Trading Ltd.

We understand that this modification proposal has arisen as a consequence of a lack of clarity surrounding the rules and processes for claiming for past notification errors as recently implemented under Urgent Proposal 37. Although we would have some concerns if there were to be further extensions of the deadline for submission of claims, we believe that in this case there is justification for the extension. In Ofgem's decision letter which allowed the implementation of Modification P37 they state that in their view the changes would better facilitate BSC Applicable Objective as set out in Condition C3(c) because 'accurate notification of energy contract volumes is of the utmost importance to ensure the effective operation of the balancing and settlement mechanism and, therefore, the market.'. This reasoning should naturally extend to considering the claims for notification errors. We consider it essential that parties are able to submit *accurate* claims for Past Notification Errors. Allowing an extra five days in which claims may be submitted will, in our opinion, facilitate BSC Applicable Objective c) and d) by ensuring the most accurate information is made available to the Panel in making a determination.

Yours faithfully

Danielle Lane
Transportation Analyst
British Gas Trading Limited.

P83_ASS_010 – London Electricity

URGENT CONSULTATION ON P83

I refer to modification proposal P83, which was posted on Elexon's website

last night.

The issues appearing to be covered by this proposal were discussed at length in the P37 modification process last year. We do not believe that the drafting of Section P6 of the BSC means, or is capable of meaning, what Innogy says it "seems" to mean.

We also believe that the matter has been clarified in Elexon's recent advice circulars on claims under Section P6.

We therefore consider that both this modification and the associated modification, P84, are unnecessary.

Roger Barnard
Regulatory Law Manager
LEG plc

P83_ASS_11 - TotalFinaElf Gas & Power Ltd

TotalFinaElf Gas & Power Ltd support the extension outlined in P83.

Regards,
Sharif Islam
Energy Regulation Manager
TotalFinaElf Gas and Power Ltd

P83_ASS_012 – British Energy

To: Modifications Secretary

From: Rachel Ace, British Energy

Date: 23 May 2002

British Energy does not believe the proposal to extend the period for raising claims for past notification errors would better meet the BSC Objectives. Parties which have made errors have had several months to identify errors and prepare claims. Neither operation of the transmission system, efficiency of the trading arrangements or competition are further promoted by increasing the scope to amend notifications which were submitted in full knowledge at the time that correction after gate closure was not permitted.

Rachel Ace

On Behalf of

British Energy Power and Energy Trading
British Energy Generation
Eggborough Power Ltd