



Memorandum

To BSC Parties, Party Agents **cc.**
From ELEXON Modifications
Date 27 February 2002

MODIFICATION PROPOSAL P4 - CONSULTATION

1. BACKGROUND

- 1.1 At Panel Meeting 29 on 23 August 2001, the Panel determined to recommend to the Authority that the Alternative Modification P4 be made with an Implementation Date of 27 March 2002.
- 1.2 Delivery of the changes for Alternative Modification P4 would extend the time period covered by the Forward Contract Report and introduce an additional report.
- 1.3 In parallel with recommending the Alternative Modification, the Panel also endorsed the proposal that ELEXON should start work on the Modification. It was recognised that there were risks in this approach as it entailed committing resource in advance of the Authority's determination on the Modification Report. This approach was adopted however to expedite delivery of the changes and in recognition of the broad industry support for the delivery of enhanced reporting.

2. CURRENT SITUATION

- 2.1 The planned changes to BSC Systems and the majority of the documentation (including all Code Subsidiary Documents other than the Data Catalogues) for P4 were completed to schedule on 19 November 2001. The outstanding elements of the project are completing the changes to the Data Catalogues, the authorisation and issuing of the design documentation, and the completion of testing with participants.
- 2.2 As yet no decision has been made by the Authority in respect of P4. ELEXON has explained the impact of this situation to Ofgem and the implications were highlighted at the Panel meeting on 13 December 2001 in paper 37/033.
- 2.3 Some BSC Parties have indicated that a minimum of 3 months notice is required for them to be able to implement Modification Proposal P4. At least one third party software supplier used by BSC Parties has stated that they will not start development of software changes required to implement P4 until the Modification Proposal has been approved by the Authority. The result is that some Parties and Party Agents will not be in a position to implement Modification Proposal P4 by 27 March 2002.
- 2.4 In view of the above, the Implementation Date of 27 March 2002 is no longer tenable and a Change Proposal Circular to that effect has been issued.

3. MODIFICATION REPORT

- 3.1 The P4 Modification Report¹, which is with the Authority for a decision, includes a recommendation that the Alternative Modification be made with a fixed Implementation Date of 27 March 2002.
- 3.2 In the absence of a decision by the Authority on the P4 Modification Report, and as the implementation date for P4 is no longer tenable, the Panel at its meeting on 14 February 2002 agreed on the following course of action:-
- (a) That the Panel should notify the Authority that the Implementation Date was no longer tenable and seek the Authority's agreement to withdraw the Modification Report for P4;
 - (b) That the Panel should prepare a Modification Report for P4 amended solely to reflect a revised Implementation Date;
 - (c) That the Panel should consult with Participants solely on the revised Implementation Date to be included in the amended Modification Report for P4; and
 - (d) That the amended P4 Modification Report should be submitted to the Panel at its meeting on 14 March 2002.
- 3.3 Subsequent to the meeting on 14 February 2002 the Panel has sought and received agreement by the Authority to the withdrawal of the Modification Report for P4.

4. CONSULTATION

- 4.1 This paper constitutes the consultation on the proposed revision of the Implementation Date for the Alternative Modification for P4. It is proposed to include the following recommendation with regard to the Implementation Date in 1.1, Recommendations, of the Modification Report: -
- **The Alternative Modification as set out in Section 7 of this report be approved and implemented on the release date for BSC Systems² which first occurs not less than 3 months after the date of the Authority's determination.**
- 4.2 The proposed date is intended to reflect the dependency on an Authority decision, and seeks to balance the lead time for impacted parties with future planned release dates for the BSC Systems. On the basis of a 3 month lead time for Participants, the effect of the proposed date would be as follows: -
- an Authority decision by the end of April 2002 would lead to an Implementation Date in August 2002;

¹A copy of the Modification Report can be found on the BSC website at www.elexon.co.uk

² The release dates for the BSC Systems will be in March, August and December during 2002 and usually in February, June and November of succeeding years.

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- an Authority decision after the end of April 2002 but before the end of August 2002 would lead to an Implementation Date in December 2002;
 - an Authority decision after the end of August 2002 but before the end of October 2002 would lead to an Implementation Date in February 2003; and
 - an Authority decision after the end of October 2002 but before the end of February 2003 would lead to an Implementation Date in June 2003.
- 4.3 Parties are asked to indicate whether they believe the proposed Implementation Date is feasible in terms of putting in place their own systems subsequent to any Authority decision to approve P4 and to provide this information to Modifications@elexon.co.uk by 5.00 p.m. on Wednesday 6 March 2002. Please head your response "P4 Consultation" and mark it for the attention of Richard Grimsey.
- 4.4 Responses will be summarised and incorporated in the report submitted to the Panel on 14 March 2002.