

<h1>NETA Change Form</h1>		ELEXON Reference																															
		MP98																															
Title		Version No.																															
Dual Notification of Contract Positions		Version 1.0																															
		Logica Reference																															
ICR424																																	
Type of Assessment	Date CP Received	Date IA Issued																															
DLIA	04-Nov-2002	28-Nov-2002																															
Brief Summary of Change																																	
<p>This modification introduces a new dual notification system based on that proposed in modification P4. The new system will be voluntary and single notification via a single agent will still be possible with minor changes to the current process.</p> <p>There are four key areas as part of the proposed change:-</p> <ul style="list-style-type: none"> • Dual Notification • Amendment to Single Notification • Web based reporting • Web based submission <p>Four options are proposed as follows:-</p> <table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left; vertical-align: bottom;">Functionality</th> <th colspan="4" style="text-align: center; vertical-align: bottom;">Option</th> </tr> <tr> <th style="border-bottom: 1px solid black;"></th> <th style="text-align: center; border-bottom: 1px solid black;">1</th> <th style="text-align: center; border-bottom: 1px solid black;">2</th> <th style="text-align: center; border-bottom: 1px solid black;">3</th> <th style="text-align: center; border-bottom: 1px solid black;">4</th> </tr> </thead> <tbody> <tr> <td>Dual Notification</td> <td style="text-align: center;">✓</td> <td style="text-align: center;">✓</td> <td style="text-align: center;">✓</td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Amendment to Single Notification</td> <td></td> <td style="text-align: center;">✓</td> <td style="text-align: center;">✓</td> <td style="text-align: center;">✓</td> </tr> <tr> <td>Web based reporting</td> <td style="text-align: center;">✓</td> <td style="text-align: center;">✓</td> <td style="text-align: center;">✓</td> <td></td> </tr> <tr> <td>Web based submission</td> <td style="text-align: center;">✓</td> <td style="text-align: center;">✓</td> <td></td> <td></td> </tr> </tbody> </table>				Functionality	Option					1	2	3	4	Dual Notification	✓	✓	✓	✓	Amendment to Single Notification		✓	✓	✓	Web based reporting	✓	✓	✓		Web based submission	✓	✓		
Functionality	Option																																
	1	2	3	4																													
Dual Notification	✓	✓	✓	✓																													
Amendment to Single Notification		✓	✓	✓																													
Web based reporting	✓	✓	✓																														
Web based submission	✓	✓																															

Logica's Proposed Solution

Software Changes

Authorisation Process:

1. Change authorisation entry form to allow a separate agent to be specified for each counter party with the following changes to processing:
 - a. A single authorisation is created but will have a separate authorisation key for each agent.
 - b. A separate response is sent to each agent, giving each their own key.
2. If the same agent is entered for both parties, then a single notification (as at present) is assumed. In this case only a single key is generated and a single response generated.
3. The authorisation entry form will also be modified to allow each party / agent referenced in the authorisation to specify whether feedback reports should be sent to them.

Notification Submission Process:

1. Notification is validated, as at present, against authorisation details, i.e. that submitting agent, authorisation id and key are as held on the ECVA database. There will be a small change because an authorisation can now have one of two agent / key combinations.
2. Where a whole notification is currently rejected, only data for periods where validation checks fail (e.g. where period data contributes to indebtedness for defaulting parties or where MVRNs exceed 100%) will be rejected (see note 2).
3. The business validation checks (e.g. where period data contributes to indebtedness for defaulting parties or where MVRNs exceed 100%) will check against matched values held for the next 7 days (i.e. against a "match window").
4. Notifications are added to a new Notification Matching queue from which they are Matched in order of increasing Effective From date and Received Datetime. This ensures that the most urgent notifications are processed ahead of less urgent ones. Service levels need to be revised to reflect this prioritisation (which might imply a change to the legal definition of an ECVA failure).
5. New process to Match notifications. Notifications are matched by following the queue order (see above) provided that they have been queued longer than a configurable period of time (e.g. 60 seconds). This delay means that in the majority of cases the two related notifications have been loaded in time to be matched first time. We assume that 90% of all notification will fall into this category.
6. The matching job will match notifications from the notification effective date up to the end of the current "match window" plus a configurable lookahead range – the match-ahead range.
7. For each period in the days processed:
 - a. Identify the latest data for the period from each agent for this Authorisation Id / Reference (where both parties use the same agent this could be bypassed)
 - b. If the data matches, insert an entry in the matched notification table (see Database Change 3)
 - c. If a matched MVRN would take the total percentage reallocation for a BM Unit in a period over 100, then the matched field is not updated. Note that the only visibility provided for this is in the Feedback report and the Forward Contract report. Once the conflicting value has been reduced, one of the Agents must resubmit the failed

value so that matching will reconsider the position.

8. When the match process has completed for a received notification a modified feedback report is generated for all days from the first effective date to the end of the "match window" containing:
 - a. Notification Id (authorisation Id and reference)
 - b. File Details (ECVNA, ECVNAA, file name, sequence) identifying the latest file received from each agent at the point of feedback generation.
 - c. Transaction ID at the point of feedback generation.

For each date and period in the report; latest volume received from Agent 1, latest volume received from Agent 2, and latest matched volume

9. Change the notification entry forms to require the submitting agent to be specified.
10. Change the notification entry forms such that a manually entered notification is added to the Matching Queue for processing as for file-based notifications described above.
11. Change feedback report mechanism to only report to those parties / agents which have requested feedback for a given authorisation.

Forward Contract Report:

1. Will now report from the Matched Notification table in place of the current Notification table. This implies that the date ranges will be reported as single days and that the report cannot report beyond the "match window".
2. The Forward Contract report structure will be reviewed for potential alignment with the Feedback Report – the rationale for this is that if the Forward Contract report includes the latest position from each Agent as well as the Matched position, then this effectively serves as the Feedback when a new day enters the match window.

Credit Check:

1. Data will be sourced from the current tables (for existing single notification rules) and from the new Matched Notification table (for new dual notifications).
2. If single notifications are to be handled in the same way as for dual notifications (option 2), then this solution can be simplified to always use the Matched Notification table.

New Daily Process (to run at a time yet to be determined)

1. For each notification that includes the settlement day that has just entered the match-ahead range, add the relevant details into the Matching Queue. These will naturally go on the bottom of the queue and will be processed effectively only when there is nothing more urgent to do. By doing this for the match-ahead range it means that the matching will already have been performed by the time that day enters the true match window.

Web based viewer:

1. Secure log-in available for individual parties / agents. We assume that the Secure Socket Layer (SSL) technology provides sufficient encryption for the entire web interface usage and that session variables provide sufficient state information to ensure login credentials (e.g. access rights) are maintained throughout their session. This is envisaged to operate in a similar way to domestic internet banking.
2. Access to the site will be controlled such that individual users may only perform a restricted number of queries over a defined period. Sessions will automatically expire after a system-configurable period of time.

3. A new Authorisation Details screen will display authorisations involving the current party / agent only. The existing Authorised Signatory infrastructure will be enhanced to include a role for web viewing.
4. A new Current Contract Position screen will display, for a selected date and Authorisation Id / Reference (again only those involving the current party / agent), the last volume submitted by each party's agent (with associated transaction) and the current matched volume for each period.
5. We assume that there will be no more than 100 simultaneously connected user and that each will be requesting no more than 1 page every 10 seconds.

Web based submission:

1. In addition to web based viewer, party/agent can modify their position by:
 - a. Enter the data through a web page/form (new form), then submit it for processing (possibly with a secondary authentication process, e.g. enter authorisation key at this point)
 - b. Data is processed as if it had been received as an E041 (this does not necessarily imply creation of a physical file)
 - c. Feedback reporting is the same as for notifications received as files (i.e. by file).
 - d. On submission, the user can choose whether to make the browser wait for the submission to be processed then auto-refresh and show their updated position, or simply submit with only an indication receipt.
2. The existing Authorised Signatory infrastructure will be enhanced to include a role for web submissions.
3. If submission is made both over the web and through the existing file mechanisms, there is no preferential treatment of one route over the other. It is expected that by using the web interface, users would not, other than through error, submit a duplicate notification through the existing file transfer mechanism.
4. It must be noted that submission of notifications through the web interface is only subject to the levels of security and encryption offered by the SSL mechanisms and does not integrate with the Public Key Infrastructure facilities that already exist for file transfers.
5. We assume that the number of submissions through the web interface does not increase the usage volumetrics described in the web viewing section.

Database Changes:

1. Changes to authorisation table to hold:
 - a. Additional agent and key details.
 - b. Flags to indicate which parties / agents require feedback reports.
 - c. Identifier of the latest file received from each agent to support feedback and web reporting.
2. Extend notification table to hold:
 - a. Submitting agent details.
 - b. File identification of the incoming notification files so that source data can be included in feedback reports.
3. New Matched Notification table to primarily to support the matching process and associated reporting functions. This will be keyed on Authorisation Id, Notification

Reference, Date and Period and will contain volumes submitted by each agent and the current matched volume. This will be partitioned to aid housekeeping and performance.

4. Holding table to store notifications submitted via the web. This is required for auditing purposes in the absence of a received file or form.

Other Changes

Changes to the manual processes are as follows:

Authorisation Process:

1. Authorisation forms (ECVAA-I002/3) changed to include separate agent for each counter party, and additional field to allow the originator to specify which parties / agents feedback reports are to be sent to.
2. The forms received from each counter party should be checked for validity and that the details are identical in each case. This is the same as the current process except that there are additional details to check (see item 1).
3. Where both parties have specified the same agent, single notification method (option 1) is assumed. The authorisation entry form will allow the same agent to be entered for both parties.

Changes to the system infrastructure:

1. Processing, storage, network and housekeeping requirements would be increased considerably by the implementation of this modification because of the increased volume of notifications received and feedback reports returned (see note 6), as well as increased web traffic.
2. Web based notification introduces a need for secure data input and output through a new, secured web server / application server. We assume that the same basic architecture used for the BMRS will be the basis for this service.

Deviation from ELEXON's Solution / Requirements					
None anticipated.					
Operational Solution and Impact					
It is anticipated that the changes made as part of this Modification Proposal in addition to the hardware required would result in the need for an additional resource for both Service Delivery and Infrastructure Support.					
Testing Strategy					
Unit	✓	Change Specific	✓	End to End	
Module	✓	Operational Acceptance		Participant Testing	
System	✓	Performance		Parallel Running	
Regression		Volume	✓	Deployment/ Backout	
Other:					
<ul style="list-style-type: none"> • Regression testing will involve Regression tests RT-01 and RT-02 (data setup), RT-03, RT-07, RT-08 and RT-09 (ECVAA) plus R2T-17. • Performance testing of the ECVAA changes is covered by the inclusion of the Volume tests PT-09 and PT-09B. • Estimates for running an ECVAA Functional Area Test (FAT) are included. • Estimates have been provided for the EXTRA Regression testing required in future Full Releases for which Regression testing is already paid. • Two new change-specific tests will be developed to cover Single and Dual ECVNs & MVRNs, Forward Contract Report and Acceptance Feedbacks. • Another new change-specific test will be developed to cover web submission and web reporting (through to demonstrating that web submissions are processed in ECVAA). • Another new change-specific test will be developed to cover outgoing files processed by the push scanner. • A final new test will be developed to cover test cases from the above scripts for clock change days. • Testing estimates are completely independent of the parallel discussions with ELEXON regarding future increases in scope to Regression testing. 					

Validated Assumptions							
Design Analysis sent to ELEXON for review prior to production of DLIA (see “MP98 Comments on requirements” attached in addition to details described in Logica’s Proposed Solution”).							
Outstanding Issues							
<ul style="list-style-type: none"> It is assumed that notifications will be spread evenly across a half hour period. Infrastructure changes will be implemented in a phased approach. 							
Changes to Service							
Services Impacted							
	BMRA	CDCA	CRA	ECVAA	SAA	TAA	Other
Software				✓			
IDD Part 1 (Docs)				✓			
IDD Part 1 (S’Sheet)				✓			
IDD Part 2 (Docs)				✓			
IDD Part 2 (S’Sheet)				✓			
URS				✓			
SS				✓			
DS				✓			
MSS				✓			
OSM				✓			
LWIs				✓			
RTP	Regression testing will involve Regression tests RT-01 and RT-02 (data setup), RT-03, RT-07, RT-08 and RT-09 (ECVAA) plus R2T-17						
Comms	Low Grade Comms requires upgrade.						
Other							
Nature of Documentation Changes							
<p>ECVAA documentation will require modification to reflect changes made with regard to dual notification enhancements.</p> <p>In addition, Options 1, 2 and 3 require amendment of documentation to include new web based details.</p>							

Nature / Size of System Changes	
Large	
Type of Release Costed:	Interim (Patch)
Deployment Issues, e.g. Outage Requirements:	Outage required.
Impact on Service Levels:	Notifications are added to a new Notification Matching queue from which they are Matched in order of increasing Effective From date and Received Datetime. This ensures that the most urgent notifications are processed ahead of less urgent ones. Service Levels need to be revised to reflect this prioritisation (which may also require a change to the legal definition of an ECVAA failure).
Impact on System Performance:	A performance study will be undertaken to asses the impact of changes on system performance. If following the performance study further changes are required to improve performance, Logica reserve the right to quote for more work to address the problem.
Responsibilities of ELEXON	
<ul style="list-style-type: none"> For all DCRs which are subject to review, Logica shall provide one draft issue and a maximum of 5 working days has been allowed for ELEXON to review and comment on the updates. Comments will be addressed and the final issue will be provided. A maximum of 2 working days has been allowed for review confirmation and signoff by ELEXON. Within reasonable levels, ELEXON will make available appropriate staff to assist Logica during the development of this change. 	
Acceptance Criteria	
This is covered by the acceptance criterion 2 in the "CVA Program – Release Acceptance Criteria" document for the Feb03 release.	
Any Other Information	
None.	

Attachments
MP98 Infrastructure Proposal MP98 Memorandum MP98 Comments on requirements MP98 Requirements summary

PRICING		
Price Breakdown		
Item description	Remarks	Price (ex VAT)
Change Specific Cost	Option 1	£1 904 640
	Option 2	£1 888 540
	Option 3	£1 689 270
	Option 4	£1 104 705
Project Overhead	Mgmt & release costs – Option 1	£719 760
	Mgmt & release costs – Option 2	£719 760
	Mgmt & release costs – Option 3	£617 130
	Mgmt & release costs – Option 4	£669 995
Total Price (ex VAT)		Option 1 - £2 624 400 Option 2 - £2 608 300 Option 3 - £2 306 400 Option 4 - £1 774 700
Project Duration		Option 1 – 45 weeks Option 2 – 45 weeks Option 3 – 38 weeks Option 4 – 31 weeks
Operational Price (e.g. per annum or event) (ex VAT)		Option 1 - £433 800 per annum Option 2 - £433 800 per annum Option 3 - £433 800 per annum Option 4 - £433 800 per annum
Rationale		
See attached Price Breakdown.		
Annual Maintenance Price (ex VAT)		Option 1 - £367 416 Option 2 - £365 162 Option 3 - £322 896 Option 4 - £248 458
Rationale		
The Annual Maintenance Price is derived as 14% of the Total Price.		

Validity Constraints

- Price excludes provision for indexation of daily rates from 1st April 2003.
- Price and duration assume that this change is developed in isolation and the effects of other changes are excluded.
- No allowance is included in the price for Service Descriptions being different from the Change Proposal.
- Price is for creating DCRs, not a formal documentation issue.
- Operate and maintain charges will be invoiced monthly in arrears.
- No allowance has been included for supporting PWC activities.
- Hardware requirements have been included based on initial analysis of changes required. The performance study will identify if hardware such as additional CPUs are required.
- If following the performance study further changes are required to improve performance, Logica reserve the right to quote for more work to address the problem.
- Corresponding hardware upgrade will be required for PTS. This has not been included in the price.
- It is assumed that there will be no more than 100 simultaneously connected user and that each will be requesting no more than 1 page every 10 seconds.
- For web based submission it is assumed that the number of submissions through the web interface does not increase the usage volumetrics described in the web viewing section.

The validity period for this quote is 30 days and the offer is based on the following payment milestones for which Logica will invoice:-

- 100% of materials charges on receipt of Purchase Order or authorised start of work,
- 30% of labour and expenses charges on receipt of Purchase Order or authorised start of work,
- 20% of labour and expenses charges at the completion of phase 1 – document updates agreed,
- 20% of labour and expenses charges at the completion of phase 2 – development complete,
- 20% of labour and expenses at the completion of phase 3 – change specific testing complete,
- 10% of labour and expenses at the completion of phase 4 – implementation on live or after 1 month of phase 3, whichever is sooner.

Authorised Signature

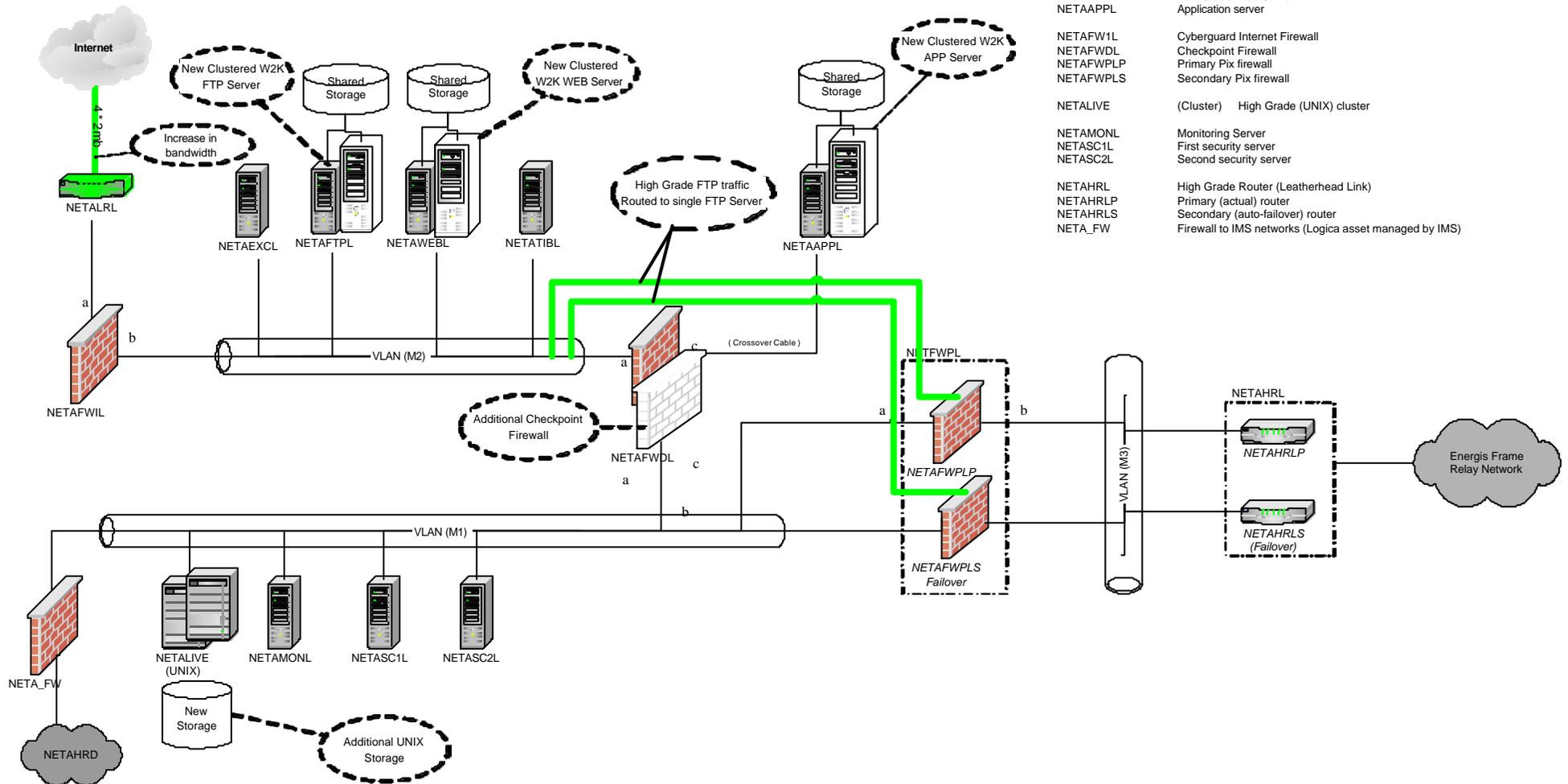
Date Signed

28-Nov-2002

**NETA P98
Infrastructure
Proposal**

Device Configuration

Device	Description
NETALRL	Energis external Internet route (Low Grade Router)
NETAEXCL	Exchange Server
NETAFTPL	Low Grade FTP Server
NETAWEBL	Low Grade Web Server
NETAAPPL	Application server
NETAFW1L	Cyberguard Internet Firewall
NETAFWDL	Checkpoint Firewall
NETAFWPLP	Primary Pix firewall
NETAFWPLS	Secondary Pix firewall
NETALIVE	(Cluster) High Grade (UNIX) cluster
NETAMONL	Monitoring Server
NETASC1L	First security server
NETASC2L	Second security server
NETAHR	High Grade Router (Leatherhead Link)
NETAHRPL	Primary (actual) router
NETAHRSL	Secondary (auto-failover) router
NETA_FW	Firewall to IMS networks (Logica asset managed by IMS)



MP98 Project Plans
Option1

IC	Task Name	Month 1				Month 2				Month 3				Month 4				Month 5				Month 6				Month 7				Month 8				Month 9				Month 10				M			
		W1	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12	W13	W14	W15	W16	W17	W18	W19	W20	W21	W22	W23	W24	W25	W26	W27	W28	W29	W30	W31	W32	W33	W34	W35	W36	W37	W38	W39		W40	W41	W42
1	MP98 Option 1	[Bar]																																											
2	Development	[Bar]																																											
3	Documentation	[Bar]																																											
4	IDD	[Bar]																																											
10	URS	[Bar]																																											
16	System specification	[Bar]																																											
24	ECVAA architecture review	[Bar]																																											
28	Design	[Bar]																																											
34	Change to Operational Pro	[Bar]																																											
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50	Test and release	[Bar]																																											
51	Test Strategy	[Bar]																																											
56	Deployment Specification	[Bar]																																											
59	Test Environment Setup	[Bar]																																											
63	Build Creation and Deployn	[Bar]																																											
68	Performance study																					[Bar]																							
70	Testing	[Bar]																																											
83	Client Acceptance																																									[Bar]			
86	Configuration and Live Rel																																									[Bar]			
91	Participant Testing																																									[Bar]			

Option 2

ID	Task Name	Month 1			Month 2			Month 3			Month 4			Month 5			Month 6			Month 7			Month 8			Month 9			Month 10			M														
		w1	w1	w2	w3	w4	w5	w6	w7	w8	w9	w10	w11	w12	w13	w14	w15	w16	w17	w18	w19	w20	w21	w22	w23	w24	w25	w26	w27	w28	w29		w30	w31	w32	w33	w34	w35	w36	w37	w38	w39	w40	w41	w42	w43
1	MP98 Option 2	[Solid black bar]																																												
2	Development	[Solid black bar]																																												
3	Documentation	[Solid black bar]																																												
4	IDD	[Solid black bar]																																												
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86	Configuration and Live Release																																									[Solid black bar]				
91	Participant Testing																																									[Solid black bar]				

Option 3

ID	Task Name	Month 1				Month 2				Month 3				Month 4				Month 5				Month 6				Month 7				Month 8				Month 9							
		w-	w1	w2	w3	w4	w5	w6	w7	w8	w9	w10	w11	w12	w13	w14	w15	w16	w17	w18	w19	w20	w21	w22	w23	w24	w25	w26	w27	w28	w29	w30	w31	w32	w33	w34	w35	w36	w37	w38	w39
1	MP98 Option 3	[Redacted]																																							
2	Development	[Redacted]																																							
3	Documentation	[Redacted]				[Redacted]																																			
4	IDD	[Redacted]				[Redacted]																																			
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86	Configuration and Live Rel	[Redacted]																																[Redacted]				[Redacted]			
91	Participant Testing	[Redacted]																																[Redacted]				[Redacted]			

Option 4

ID	Task Name	Month 1				Month 2				Month 3				Month 4				Month 5				Month 6				Month 7				Mo		
		W-1	W1	W2	W3	W4	W5	W6	W7	W8	W9	W10	W11	W12	W13	W14	W15	W16	W17	W18	W19	W20	W21	W22	W23	W24	W25	W26	W27	W28	W29	W30
1	MP98 Option 4	[Task bar spanning from W-1 to W31]																														
2	Development	[Task bar spanning from W-1 to W31]																														
3	Documentation	[Task bar spanning from W-1 to W31]																														
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Memorandum

To BSC Central Service Agent **cc.** Change Planning
From ELEXON Change Delivery
Date 01 November 2002

Detailed Level Impact Assessment of Modification Proposal P98

Please find attached the Requirements Specification for Modification Proposal P98 'Dual Notification of Contract Positions', for Detailed Level Impact Assessment.

Please note that costs and timescales for development and implementation are required for the following:

- **Option 1:** Dual Notification – All sections of the Requirements Specification, but with no amendment to the current single notification process, i.e. retention of the single notification process without change, such that there are two processes running in parallel;
- **Option 2:** Dual Notification – All sections of the Requirements Specification (including amendment to the single notification process, as defined in the Requirements Specification);
- **Option 3:** Dual Notification, as for Option 2, but minus Web based Notification Submission – All sections of the Requirements Specification with the exception of **section 2.2.9**; and
- **Option 4:** Dual Notification, as for Option 2, but minus Web based Notification Submission and Web based reporting – All sections of the Requirements Specification with the exception of **sections 2.2.9 and 2.2.8**.

It would also be appreciated if some indication could be provided as to whether the application of the dual notification process to Metered Volume Reallocations creates a price and / or timescale differential, or whether the dual notification process can be applied to Metered Volume Reallocations without impact on costs and / or timescales quoted for the four options above.

If you have any queries regarding the Requirements Specification, and / or the impact assessments required, please do not hesitate to contact me.

Best Regards

Mandi Francis
ELEXON Change Delivery
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Comments on requirements with responses

The following is a preliminary list of outstanding issues which need to be resolved to progress the design (these are expanded upon in the text above and the notes below):

1. How should notification data for rejected periods be handled? Not sure I understand the question. I would expect a Rejection Feedback Report to be generated incorporating the Settlement Period(s) rejected and an Acceptance Feedback Report to be generated containing the rest of the accepted data. In terms of handling the data, I would expect you to do what you do now?
2. Business validation checks against all data (as implied in the requirement) or alternatively against the 7 day window (as suggested in this analysis). What you have suggested sounds reasonable in terms of validating for seven days ahead. However, given the structure of evergreen / longer term notifications (same for all days in the notification) is this an issue in the majority of cases. I am assuming that it is the MVRN validation that is the problem, for the >100% check. Is it the case that realistically, only the MVRNs would fail business validation in the check against the 7 day window, as given the structure and validation applied to ECVNs, once one day is accepted, then all others will be. If this is the case, then I would propose that it is presented that business validation is done for the rolling 7 days, but that in reality only MVRNs can fail validation after initial receipt.
3. Feedback reports; general format, e.g. combining AFR, RFR to consolidate notification feedback and to reduce file traffic. Not sure parties would welcome this, on the grounds that Parties like to prioritise their actions such that they act when they see a specific rejection. I am not sure that I will be very popular if I agree to a change which means that Parties have to open every report they receive to determine their course of action. In reality, for the dual notifiers, this will have to be the case, but the ones operating under single will evidence some resistance to a change to their processing, and the additional burden it places on them.
4. Security and auditing requirements (particularly for web based access) need to be defined precisely – this has a major impact on the software and hardware solution. Do you require the web based option to be certified to BS7799 standards? No idea! Whatever is the industry standard I would expect. Go for the iced solution, and we can always look later at what the security level would need to be. I would assume that, given the nature of contract notifications and the implications of any breach in security in terms of settlement and credit exposure, any security would have to be equivalent to internet banking or equivalent.
5. Auditing requirements for “matched” data to be agreed. Not sure what you mean. I am sure we can come to some arrangement, but I would not expect the solution to be materially more onerous than existing notification audit arrangements, but this can be confirmed.

Comments on requirements

Location	Text	Comment
Last para, page 6	Any notification received from the Authorised ECVNAs are validated by the ECVA to ensure that the counterparties and nominated Energy Accounts are those that the ECVNA is authorised for.	Notifications do not state the counter parties nor accounts so cannot validate. Validation is that submitting agent is quoting his own authorisation id and the corresponding authorisation key. <u>I was under the impression that you derive the accounts and parties from the Authorisation Id, and that this is validated to ensure that the correct ECVA is notifying? This is what I was implying. Don't think this is an issue.</u>
1 st para, page 7	Under dual notification, if a pair of counterparties wishes to use single notification, then the Authorisation is set up such that each Counterparty nominates the same ECVNA, to notify on their behalf. The Authorisation will specify the pair of counterparties, their nominated Energy Accounts and the nominated ECVNA.	Would expect to perform same matching process but as single agent, will always match! If single notifications have different behaviour then the solution is inevitably more complex. <u>Agreed, I think I implied that single notifications match automatically, but are put through the same process as dual for simplicity in approach.</u>
Para 5, page 7	On receipt of the E0041, ECVA validates the submission. If any part of the submission fails validation, or is to be refused under Credit Default rules, then the contract volumes for the affected Settlement Periods are rejected individually (using the CD2 group of the RFR).	Those periods rejected will be treated as if they had not been submitted – i.e. any existing volume for those periods will be deleted <u>Yes.</u>
2.2.3	ECVN ECVNAA Id ABC002	Note that the ECVN ECVNAA Id is the same of the submitting agent's ECVNAA unless amending a notification submitted under an authorisation which has now been terminated. The specification wrongly implies that there is choice in what ID to use. <u>OK</u>

Location	Text	Comment
2.2.4	Daily increase of matching scope	<p>There could be a significant amount of work to process the new day+7 data. This needs to be processed before any amendments to that day.</p> <p>Proposal: Start the matching process late evening, issuing match reports as we go. New notifications which cover that day are NOT matched straight away. Daily task will continue until caught up. Sounds fine.</p>

Location	Text	Comment
2.2.6	Feedback report structure	<p>Structure is messy. Would be better to mix matched and unmatched into single block with latest position from each agent plus latest matched position. Assume format is open to discussion. In particular would prefer a format that handles file from each agent at (almost) the same time with single feedback report to report the resulting position: Suggest something along the lines of:</p> <pre> ECVN ECVNAA Id ECVN reference Settlement Date Agent 1 last file sequence file name processing transaction [null if same as for previous day] Agent 2 last file sequence file name processing transaction [null if same as for previous day] Settlement Period Agent 1 last volume Agent 2 last volume Matched volume </pre> <p>This new format would either be a new version of the ECVAA I028/29 (in the case of single notifications being handled in exactly the same manner as dual) or as a new pair of flows (where the existing feedback is to remain unchanged for single notifications).</p> <p><u>Happy to go with your suggestions, my drafting attempt was only to try and indicate what it could look like for impact assessment to try and give an idea of the information to be reported.</u></p>

Location	Text	Comment
2.2.7	Purging	<p>Implies no need to retain matched or unmatched data for audit history once the date has passed.</p> <p><u>In discussion with David Hicks, I think we agreed that the matching could be recreated by using the notifications and the time of receipt, such that there was no requirement to retain matched / unmatched volumes.</u></p>
2.2.9	Web based data entry	<p>Implies creation of a physical file as if from agent – this has sequence number implications.</p> <p>Would expect that submitted data will be processed in exactly the same way as it would had it come in a file, but that the data entry and processing would not require a file. AFR/RFR would be sent via file, web would display confirmation and update to display resulting position.</p> <p><u>Again, just trying to set out a potential situation for impact assessment. What you propose sounds fine.</u></p>
	Architecture	<p>The specification is very prescriptive over the final architecture – for example, it implies that part of the business processing of a file would be to carry out the matching whereas it is likely that that will be a separate process which runs slightly after the file processing. It is understood that the level of detail in the document is in order to be clear over what is required at the logical level and not intended to dictate the physical design of the solution</p> <p><u>Absolutely agree. I was merely trying to reflect the results of the discussions had with David Hicks ahead of the drafting of the spec.</u></p>

1. Option 1 vs option 2:
 - a. Option 2 has a single approach to all notifications with the simple side effect that where the same agent is nominated by both parties then all submissions are matched against themselves.

- b. Option 1 requires retention of existing processing. This means that having established that single notification rules apply, a completely different branch of code will be executed. This will, therefore, require additional effort for parallel sets of processing code to maintain and test, and data is held in two places depending on its source – this adds a level of complexity to credit checking, forward contract report and MRVN 100% checking.
2. Notification submission, item 2; Where currently a whole notification is rejected, the contract position is left unchanged. The proposal for rejection of data for an individual period is that the position for that period will also be left unchanged, rather than setting the volume to 0 for example.
3. Notification submission, item 3; Business validation checks against submitted notifications, would be a considerably more complex task under this modification as the check would need to be made against all potential matches rather than just the consolidated view as at present. This would be further complicated if option 1 is selected because there are two sets of data (for single and dual notifications) to be checked. In restricting the check to matched volumes, the processing is much simpler (single data source, less data to check). Any errors reported are against, what seems like, more relevant figures and would still be identified 7 days ahead.
4. The current rules for updates to notifications (e.g. for overwrite, and in-day modifications) will continue unchanged.
5. Notifications submitted via the web would need a unique reference in lieu of the file identifier information stored for other notifications. This would be required for reporting and auditing purposes.
6. The file volume will increase considerably under this proposal;
 - a. Each notification (or update) will now require input files from both agents.
 - b. Where currently the consolidated view is sent by an agent, there could now be several notification updates from each agent before the consolidated (or matched) view is achieved.
 - c. There will be multiple feedback reports showing matched / un-matched data, where previously there was one.
 - d. Feedback reports could be sent to 4 destinations rather than 3 as before.
 - e. It is anticipated that the volume of trades following implementation will increase.
 - f. For each additional incoming or outgoing flow indicated above, there will be an additional acknowledgement file.

The Current Day referred to above, is always the settlement day in which the next gate closure will occur so, for example, on a GMT day the Current Day at 22:32 (GMT) on day x will actually be x+1 because the next gate closure will be at 23:00 and is for settlement period 1, in settlement day x+1