

P246 Consultation Responses

Consultation issued on 18 December 2009

We received responses from the following Parties

Company	No BSC Parties / Non-Parties Represented	Role of Parties/non-Parties represented
ESP Electricity Limited	1/0	Distributor
GTC	1/0	Distributor
Western Power Distribution	2/0	Distributor
IPNL	1/0	Distributor
Central Networks	2/0	LDSO
EDF Energy Networks	4/0	Distributors
E.ON UK	5/0	Supplier
CE Electric UK	2/0	Distributor
RWE npower	10/0	Supplier/Generator/Trader/ Consolidator/Exemptable Generator/Party Agent
EDF Energy	9/0	Supplier/Generator/ Exemptable Generator
Electricity North West Limited	1/1	Distributor
SAIC Ltd. (for and on behalf of ScottishPower) ¹	7/0	Supplier / Generator / Trader / Consolidator / Exemptible Generator / Distributor

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

¹ Late Response

Question 1: Are you impacted by the P246 Proposed solution?
Please provide any details of impacts that you can (ELEXON will treat information as confidential if requested).

Summary

Yes	No	Neutral/Other
12	0	0

Responses

Respondent	Response	Rationale
ESP Electricity Limited	Yes	As a distributor operating embedded networks in all the GSP groups, we must provide the aggregated settlement data for each GSP group to the 'upstream distributor' to meet the requirement for Portfolio Billing outlined in the CDCM with effect from April 1 st 2010. The Proposed solution will allow us to meet that requirement efficiently and with minimal cost.
GTC	Yes	<p>The Electricity Network Company Limited (ENC) owns and operates networks that are connected to the distribution systems of host (ex-PES) distributors. Where a consumer is connected to an embedded network the supplier, in delivering electricity to that consumer, implicitly uses the upstream system as well as the embedded network for conveying electricity from the transmission system; the embedded network operator is in effect acting as an agent for the supplier in respect of the upstream network. (The alternative would be for each distributor to bill the supplier directly in respect of the use of that part of the distribution system).</p> <p>Without P246, embedded LDSOs would have to request suppliers to provide them with settlement information to them for onward provision to the upstream LDSO (or to the LDSO's central agent). An alternative approach would be for upstream LDSOs to bill suppliers directly and separately for use of their respective distribution systems. Both of these approaches are unlikely to be unwelcome amongst suppliers and will introduce additional costs (and complexity) to suppliers. Additionally, such an approach could distort competition in supply. (Under such arrangements some suppliers may be unwilling to offer supply contracts to consumers connected to embedded networks).</p> <p>Therefore, we believe P246 facilitates an efficient, effective and economic single solution for settlement data to be provided to upstream LDSOs. Our analysis is that the aggregate cost of each distributor modifying its systems to provide settlement data to the upstream distributor is well in excess of the figures quoted in Elexon's draft report.</p>
Western Power Distribution	Yes	We need to invoice Use of System charges for embedded LDSO networks so we are directly impacted by this change.

Respondent	Response	Rationale
IPNL	Yes	As an IDNO with embedded networks in all host DNO areas we will be impacted by P246 Proposed Solution. We will be required to change our existing MDD to introduce new codings, migrate our existing customer base to those new codings and revise our current DUoS charging statements. We will also be required to introduce procedures to provide details of consumptions of HH customers on our networks to the upstream DNOs. We need to make these changes within the framework and timescales of the BSC.
Central Networks	Yes	Central Networks has to bill DUoS charges to other embedded LDSOs. P246 will facilitate billing in accordance with the Common Distribution Charging Methodology in the most rational and efficient way available.
EDF Energy Networks	Yes	Three of our companies are impacted as they will invoice IDNOs, the fourth is an IDNO. The 3 companies will need to be able to process the outputs from this process in order to raise invoices. We will all also bear a portion of the cost of this mod.
E.ON UK	Yes	Any changes to the way in which a supplier is invoiced for the use of System Charges has an impact as we ultimately have all the risk associated with collecting those charges.
CE Electric UK	Yes	As a distributor party we are obliged to charge independent distribution network operators in accordance with the CDCM. We are therefore keen to work with other LDSOs to implement an appropriate billing data solution in support of the CDCM. For non-half hourly data our Supercustomer billing system can only process one D0030 for one settlement day and settlement run on any given calendar day. Therefore Non-Half Hourly data contained within the D0030 would need to be processed outside of the billing system in order to calculate initial and reconciliation charges relating to customers for the embedded LDSO. For half hourly data our Site Specific billing system can process multiple D0275s and therefore half hourly data relating to customers for the embedded LDSO can be processed within the billing system in order to calculate charges.
RWE npower	Yes	Ongoing operational costs associated with P246 would be treated as normal Elexon costs and split between BSC Parties. As a BSC Party we would incur a proportion of these costs. The SVAA impact assessment only focussed on the relatively minor development and ongoing operational costs associated with the <u>initial</u> changes required for P246. The SVAA solution is intended to be relatively future-proof and further changes will be required to support an enduring solution. There is no assurance around escalating costs associated with a P246 enduring solution, which will ultimately be borne by BSC Parties.

Respondent	Response	Rationale
EDF Energy	Yes	EDF Energy Networks will be subject to the Common Charging Methodology which comes into force on the 1 st April 2010 and therefore need to be able to support the portfolio billing requirements discussed within the Modification Group and the DCUSA Working Group.
Electricity North West Limited	Yes	As a Licensed Distribution System Operator we need to be able to bill LDSO's operating as a downstream distributor to ourselves. The impact will be associated with developing a manual system to cater for the interim (a final) solution for portfolio billing contained within the CDCM. Other impacts associated with all options include changes in the way data is received, handled and utilised as well as lengthened billing and cash flow cycles.
SAIC Ltd.(for and on behalf of ScottishPower)	Yes	As identified in the Modification Report, all DNOs have a licence obligation to apply the CDCM from 1 April 2010. Therefore it is necessary that the data needed to apply portfolio billing to IDNOs is available in order to accurately calculate the charges. SPEN's billing systems will need to be modified and adapted in order to cope with the new data requirements (including, if necessary, reconciliation to boundary metering). We believe that the best way to achieve this is by the means proposed by this modification: by making settlement data available to all LDSOs. We are unable at the moment to provide a more detailed impact assessment in our billing systems, as these details are still being determined, however we believe both the interim and the enduring solution will result in significant impacts as a new system will more than likely be required to manage the new billing solution. It is vital that accuracy of data is focussed upon within any new system as it will be essential that there is control of losses as any error will be magnified.

Question 2: Do you agree that the legal text delivers the intention of P246 Proposed?

Summary

Yes	No	Neutral/Other
12	0	0

Responses

Respondent	Response	Rationale
ESP Electricity Limited	Yes	It clarifies who is responsible for the implementation costs and clearly sets out who will be entitled to use the data and for what purpose.
GTC	Yes	1. The legal text allows for settlement data provided by SVAA to be relayed on to upstream distributors – this is essential

Respondent	Response	Rationale
		<p>2. The legal text sets out that it is suppliers or SVAA that provides such data to upstream distributors</p> <p>3. We anticipate the costs of implementing P246 will be cheaper than the alternatives.</p>
Western Power Distribution	Yes	-
IPNL	Yes	We believe the textual changes will achieve this.
Central Networks	Yes	-
EDF Energy Networks	Yes	<p>We have concerns that the drafting allows SVAA to pass data to ANY other distributor, regardless of whether that distributor can use it for billing or operating their network.</p> <p>We have concerns over the use of commercially sensitive data and would prefer that data is passed only to distributors to whom we are connected or who lie between us and the GSP.</p> <p>The problem is that this matter concerns passing commercially sensitive data between competitors.</p> <p>This will be a bigger issue for our three ex-PES distributors if they ever become nested as they will not want their entire portfolio of data passed to the upstream distributor whose true interest for billing is only in respect of a minority of customers.</p> <p>We have less concern with data being passed to an agent so long as the contractual arrangements with the agent cover suitable confidentiality arrangements.</p> <p>We have concerns over the agreement that we are purporting to give at clause 2.7.7C (especially since under the BSC change process someone else will decide that we have given it).</p>
E.ON UK	Yes	The legal text delivers the intention.
CE Electric UK	Yes	The proposed legal text appears to create the necessary provisions and obligations on parties to ensure the provision of data is provided for portfolio billing purposes. The drafting also appears to provide sufficient clarity to avoid any uncertainty in respect of which parties can utilise such data for their specific charging purposes.
RWE npower	Yes	-
EDF Energy	Yes (with a caveat)	The legal drafting in its current form appears to facilitate the provision of potentially commercially sensitive data to any LDSO by the SVAA. The text should be clarified to state that the SVAA should only pass data to the LDSO who requires it for billing purposes.
Electricity North West Limited	Yes	The text sufficiently meets, and perhaps even future proofs, the requirements.
SAIC Ltd.(for and on behalf of ScottishPower)	Yes	<p>ScottishPower believes the legal text delivers the intention of P246.</p> <p>It ensures that the costs incurred by the SVAA will be paid for by the LDSOs and this share will be split</p>

Respondent	Response	Rationale
		evenly between all the LDSOs. It also ensures that the data can be passed between the relevant parties ensuring that the proposed solution does not conflict with the BSC.

Question 3: Are you impacted by the P246 Alternative solution? Please provide any details of impacts that you can (ELEXON will treat information as confidential if requested).

Summary

Yes	No	Neutral/Other
12	0	0

Responses

Respondent	Response	Rationale
ESP Electricity Limited	Yes	We would be more impacted by the Alternative solution than the Proposed solution as modification to our existing billing system would be required. There would also be an administration element to the solution.
GTC	Yes	Please see response to Question 1. The main difference with the alternative is that we would have to provide information to the upstream DNO (or to the upstream LDSOs agent). We believe that such an approach would be more costly.
Western Power Distribution	Yes	We need to invoice Use of System charges for embedded LDSO networks so we are directly impacted by this change.
IPNL	Yes	As an IDNO with embedded networks in all host DNO areas we will be impacted by P246 Alternative Solution. We will be required to change our existing MDD to introduce new codings, migrate our existing customer base to those new codings and revise our current DUoS charging statements. We will also be required to introduce procedures to provide details of consumptions of HH customers on our networks to the upstream DNOs. Compared to P246 Proposed the Alternative will require us to make changes to our DUoS billing system to produce a tailor-made report to assemble the information needed for DNOs to bill portfolio

Respondent	Response	Rationale
		tariffs. We have received a quotation of £9,000 to do this based on our initial understanding of what DNOs require. The exact way this report will be transmitted to DNOs has yet to be determined and our experience with DNOs on data transfer suggests that there will not be a single agreed method. We are also increasingly aware that some DNOs will require half hourly data for portfolio billing something which was not included in our original report quote and will inevitably result in the impact costs being doubled if we end up with two 'solutions'/two reports.
Central Networks	Yes	See Q1
EDF Energy Networks	Yes	Three of our companies are impacted as they will invoice IDNOs, the fourth is an IDNO and will need to process and forward data.
E.ON UK	Yes	As above.
CE Electric UK	Yes	Same impact as response for question one.
RWE npower	Yes	Whilst there is no impact on our systems or processes, we may be indirectly impacted as LDSOs may pass on their development costs to Suppliers.
EDF Energy	Yes	EDF Energy Networks will be subject to the Common Charging Methodology which comes into force on the 1 st April 2010 and therefore need to be able to support the portfolio billing requirements discussed within the Modification Group and the DCUSA Working Group.
Electricity North West Limited	Yes	This solution is a cause for concern since the text only provides for the ability to send the data but does not specify in what format. We could end up with a variety of different extracts from distributors which may cause additional processing in order to bill the distributor.
SAIC Ltd.(for and on behalf of ScottishPower)	Yes	Please refer to the answer to question 1.

Question 4: Are there any P246 Alternative solutions that the Modification Group has not identified that they should consider?

Summary

Yes	No	Neutral/Other
2	10	0

Responses

Respondent	Response	Rationale
ESP Electricity Limited	No	We believe that the solutions outlined are the best fit for meeting the 1 st April 2010 Portfolio Billing deadline. We cannot visualize an alternative solution that could be devised and implemented within the tight timescales and for less cost than those proposed. Both solutions are also mindful of the 'Enduring Solution' currently being discussed on other Working Groups (e.g. DCUSA IDNO/DNO Billing).
GTC	No	<p>In addition to the P246 proposals, LDSOs are considering whether a central agent, separate from the BSC, should be established to receive the settlement data and process it so that it can be provided in a form that can be utilised by the upstream distributor for billing.</p> <p>We believe that this activity would be best carried out under the BSC. This would provide a more efficient approach. However, we recognise that in expanding the scope of P246, it would be difficult to demonstrate that the proposal aligned with achieving the relevant objectives.</p> <p>P246 proposes that it is only LDSOs that should fund the implementation of this proposal. We accept this because to do otherwise increases the risk that the modification will be rejected. However, if P246 is approved, precedence will be established for future modification proposals with respect to cost recovery.</p>
Western Power Distribution	No	-
IPNL	No	There have been discussions on this topic for several years and we do not believe there to be any other alternatives.
Central Networks	No	-

Respondent	Response	Rationale
EDF Energy Networks	No	-
E.ON UK	Yes	The rigid nature of the P246 proposal does not allow for any other sensible alternative.
CE Electric UK	Yes	A central agent could incorporate aggregated non-half hourly data within the D0275 and link to an 'MPAN' like identifier for billing purposes. This would significantly minimise billing system changes as multiple D2075s for the identifier can be processed on the same day (i.e. multi day reporting). The aggregated non-half hourly data can then be distinguished for reporting purposes either by the identifier or line loss factor class applied to the identifier. This potential alternative solution was highlighted within the DCUSA IDNO/DNO working group as a possible alternative.
RWE npower	No	N/a
EDF Energy	No	-
Electricity North West Limited	No	The two solutions on the table are sufficient. We have no time to consider any further alternative solutions. If this occurs we may end up with distributors seeking derogations from Ofgem against the CDCM since no solution as yet been agreed. That said, we must ensure that early sight of the extract data is made available to LDSO's so that they can test their manual billing solution.
SAIC Ltd.(for and on behalf of ScottishPower)	No	We believe the solutions identified by the modification group adequately cover the issues at hand and as such have no further alternative to offer at this time.

Question 5: Do you agree that the legal text delivers the intention of P246 Alternative?

Summary

Yes	No	Neutral/Other
11	1	0

Responses

Respondent	Response	Rationale
ESP Electricity Limited	Yes	See response to question 2.
GTC	Yes	The intent of the alternative is to modify the code so that LDSOs can provide settlement data that they

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Respondent	Response	Rationale
		receive from SVAA to upstream LDSOs for system management or for DUoS billing. The difference with the alternative is that it stops short of the Elexon providing such information
Western Power Distribution	Yes	-
IPNL	Yes	The LDSOs will be able to supply NHH data to third parties
Central Networks	Yes	-
EDF Energy Networks	Yes	We have similar concerns over confidentiality of data as drafted.
E.ON UK	Yes	-
CE Electric UK	Yes	The proposed legal text appears to create the necessary provisions and obligations on parties to ensure the provision of data is provided for portfolio billing purposes. The drafting also appears to provide sufficient clarity to avoid any uncertainty in respect of which parties can utilise such data for their specific charging purposes.
RWE npower	Yes	-
EDF Energy	Yes with a caveat	The legal drafting in its current form appears to facilitate the provision of potentially commercially sensitive data to any LDSO rather than the LDSO who requires the data for billing purposes.
Electricity North West Limited	No	The legal text adequately reflects the alternative solution but is limited to such a solution and may need a further change dependant upon the outcome of the DCUSA working group's enduring solution to portfolio billing
SAIC Ltd.(for and on behalf of ScottishPower)	Yes	ScottishPower believes the legal text delivers the intention of P246 Alternative. As the costs will not be required to be defined as in the proposed solution the legal text covers the passing of data between the Parties and Agents which meets the intention of the Alternative.

Question 6: Do you agree with the Group's proposed approach to funding P246?

- Implementation (i.e. costs split evenly between all LDSOs); and
- Ongoing operation (i.e. costs distributed among Parties in the normal manner).

Summary

Yes	No	Neutral/Other
11	1	0

Responses

Respondent	Response	Rationale
ESP Electricity Limited	Yes	The costs split evenly between all LDSOs is right. There should be no implementation costs upon the Supplier if either of the solutions is accepted. The ongoing operation costs are minimal and should be distributed among Parties in the normal manner.
GTC	Yes	<p><i>Implementation</i></p> <p>Our initial view is that the P246 solution offers a cheaper solution than the alternative of LDSOs separately processing data.</p> <p>We note that one of the reasons that CP1280 was rejected was that supplier parties objected to the proposal on cost.</p> <p>Therefore in order to improve the likelihood of P246 being approved we agree that the implementation costs be borne equally by all LDSOs.</p> <p>However, such a decision creates a precedence for future modifications to the BSC and establishes the principle that costs arising from modifications or industry change should be borne by those parties who benefit from the modification or change. This would appear to be a departure from cost principles applied to previous modifications.</p> <p><i>Operation</i></p> <p>The identified costs of operation are very small. Therefore we believe it is appropriate to recover costs from all parties in the normal manner. To bill LDSOs individually for such costs may cost more than the value being recovered.</p>
Western Power Distribution	Yes	All LDSOs will benefit from the implementation of P246 so it is reasonable for them to pay for this change. Ongoing annual costs are very low and do not warrant the cost of invoicing them as separate charges to LDSOs so they should be charged to Parties in the normal manner
IPNL	Yes	The implementation and ongoing operation costs are small in comparison to the current costs and

Respondent	Response	Rationale
		increasingly unsatisfactory boundary metering solution. The costs levied by DNOs for boundary metering were the subject of a recent Ofgem consultation exercise. Implementation costs should be shared amongst all LDSOs in the proportions suggested in the paper and ongoing operation costs split between Parties, as proposed.
Central Networks	Yes	It is right that affected parties should meet the implementation costs of this proposal. Ongoing costs are minimal and best distributed between parties in the normal manner.
EDF Energy Networks	Yes	Pragmatic solution.
E.ON UK	No	All costs should be funded by Distributors. Some of these costs may be small but DUoS costs should be cost reflective. This funding model spreads the increased costs that being connected to an IDNO incurs, across all customers and is therefore subsidising those customers. By making Distributors pay all costs and recover these through their Duos tariff it is transparent where the costs lie.
CE Electric UK	Yes	So long as any future additional funding requirements that have been identified are formally agreed prior to inclusion.
RWE npower	Yes – Conditional	<p>We support the Group's proposed approach that LDSOs should bear the implementation costs associated with P246.</p> <p>We support the Group's proposed approach that ongoing operational costs associated with P246 should be distributed among BSC Parties. We recognise that implementing a process to recover relatively minor ongoing operational costs from LDSOs would be more costly and complex than the P246 activities themselves. However, our support for this is conditional on the ongoing operational costs remaining of the order of magnitude identified in the impact assessment. Recovery of escalating P246 costs will need to be considered as part of an enduring solution.</p>
EDF Energy	Yes	The approach appears to be sensible and pragmatic.
Electricity North West Limited	Yes	<p>It is appropriate that the LDSO's fund the implementation.</p> <p>We believe it is acceptable for the LDSOs to fund the ongoing cost, however if it is more costly to all</p>

Respondent	Response	Rationale
		parties to identify and separate out the costs (for what hopefully is not for a significant amount of time) then we will support this proposal.
SAIC Ltd.(for and on behalf of ScottishPower)	Yes	We support the funding approach as agreed by the Group. As all LDSOs will benefit from the changes the most equitable method of splitting the costs would be an even split as proposed.

Question 7: Do you support the proposed P246 implementation approach?

Summary

Yes	No	Neutral/Other
12	0	0

Responses

Respondent	Response	Rationale
ESP Electricity Limited	Yes	Due to the deadline set by Portfolio Billing in CDCM, the urgency of the modification and the implementation approach is a swift, inexpensive and efficient solution to the issue.
GTC	Yes	No further comments.
Western Power Distribution	Yes	The proposed approach will ensure the change is in place at the required time.
IPNL	Yes	In order to implement Portfolio billing wef 1-4-2010 we will need to amend our existing MDD by early February 2010 at the latest. The timetable in P246 recognises this vital point. We note that even assuming approval the timetable is still rather tight.
Central Networks	Yes	P246 provides a rational and efficient solution to the requirement for billing data.
EDF Energy Networks	Yes	Each is achievable.
E.ON UK	Yes	-
CE Electric UK	Yes	We support implementing the proposed P246 modification by March 31, 2010. However if an authority decision is not reached on or before January 28, 2010 therefore impacting the March 31, 2010 implementation date then it is vital that emphasis is concentrated on the alternative

Respondent	Response	Rationale
		modification to ensure portfolio billing is introduced on April 1, 2010 until such time the proposed modification can be implemented.
RWE npower	Yes	-
EDF Energy	Yes	This will facilitate LDSO's compliance with CDCM bearing in the mind the issues with the legal text.
Electricity North West Limited	Yes	Time is the deciding factor. We cannot wait for a normal release which will take us beyond the implementation of the CDCM resulting in all LDSO's seeking derogations from Ofgem. That said it is still a tight timescale, so the sooner we see sample files the sooner we will understand whether we have sufficient time to develop, test and implement a manual billing solution in readiness for the first 'live' data. It would be helpful to understand when the first set of monthly data is likely to be received for the April SF billing period (which should include the SVAA processing time). Our estimation is late May.
SAIC Ltd.(for and on behalf of ScottishPower)	Yes	ScottishPower believes that it is important that we have the interim solution in place for the introduction of the CDCM on the 1 st April 2010. To this extent we support the Group's implementation approach and timescales as described within the Modification Report.

Question 8: Would the Proposed Modification P246 help to achieve the Applicable BSC Objectives compared to the current baseline?

Summary

Yes	No	Neutral/Other
11	1	0

Responses

Respondent	Response	Rationale
ESP Electricity Limited	Yes	We believe that Objectives (a), (c) and (d) are better met for those reasons outlined in the Modification Report.
GTC	Yes	We support wholly the analysis in the draft report. in particular Objective (a) (<i>efficient discharge of the obligations of the Transmission Licence</i>) is satisfied because Condition C3 2(b) states the balancing and settlement arrangements are, inter alia, arrangements that "...provide for the determination

Respondent	Response	Rationale
		<p><i>and financial settlement of, obligations between BSC parties...".</i></p> <p>Embedded LDSOs and upstream LDSOs are both BSC parties. Industry arrangements are that embedded distributors charge suppliers an '<i>all the way DUoS charge</i>' for conveying electricity from the grid supply point across more than one LDSO system to connected customers. The embedded LDSO is charged DUoS by the upstream LDSO for use of the upstream network. Such charge will be a proportion of the '<i>all the way DUoS charge</i>'</p> <p>P246 facilitates the financial settlement of DUoS charges between the embedded LDSO and the upstream LDSO.</p> <p>Embedded LDSOs in effect act as agent for suppliers, procuring and managing their use of the upstream network (the alternative being that each LDSO in the chain from the transmission system to the consumer would charge the supplier separately for their respective use of system).</p>
Western Power Distribution	Yes	<p>There is a benefit against objective (c) as it will enable a more efficient charging mechanism between BSC Parties. In the absence of this or a similar modification LDSOs, and possibly Suppliers, will incur additional costs in the provision of data for the purpose of Use of System billing. Providing a central, low cost, mechanism for delivering the required data will remove uncertainty as to the cost of alternative arrangements which should help promote increased competition in the supply of electricity.</p> <p>There is a clear benefit against objective (d) as it will promote efficiency in the implementation and administration of the balancing and settlement arrangements if the requirements under the BSC are aligned with those under DCUSA.</p>
IPNL	Yes	<ul style="list-style-type: none"> • The efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence; <p>IPNL agrees with the group's view that objective a would be facilitated by the ability of the Code arrangements to provide for the determination and financial settlement of obligations between BSC parties.</p> <ul style="list-style-type: none"> • The promotion of 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; <p>IPNL believes that objective c would be fulfilled as</p>

Respondent	Response	Rationale
		<p>the changes promote efficient Distribution activities which in turn will facilitate a competitive supply market.</p> <ul style="list-style-type: none"> The promotion of efficiency in the implementation and administration of the balancing and settlement arrangements. <p>IPNL agrees with the group that objective d will be better facilitated on the basis that the BSC will be aligned with the arrangements set out in the DCUSA.</p>
Central Networks	Yes	I agree with the Group's initial views on this, as set out in section 7 of the report.
EDF Energy Networks	Yes	<p>It is a stretch to argue that the financial settlements envisaged by the balancing and settlement arrangements stretches to use of system payments from one distributor to another. These are in fact dealt with adequately in DCUSA.</p> <p>It is not clear how the mod facilitates supply competition. Nor is it clear how it causes distributors' operations to be more efficient.</p> <p>The main argument has to be on consistency of the codes.</p> <p>However, the structure of distributors billing other distributors was effectively created by BSC Mod P62, which implemented embedded LDSOs into the BSC. It was an express wish of BSC parties at that time that the contractual relationships between LDSOs and embedded LDSOs be implemented in a manner such that only the final LDSO bills the supplier, rather than for each DNO along the chain to bill the supplier for transportation across each section of the network. It, therefore, behoves the BSC to facilitate this as it is consistent with that desired solution.</p>
E.ON UK	No	The objectives are at best neutral.
CE Electric UK	Yes	<p>The proposed modification should enable the efficient provision of data in support of portfolio billing.</p> <p>The proposed modification should also ensure the transition between the interim solution and the ensuring solution is a less problematic exercise as key processes in both solutions should be similar. Also the provision of data being held at one central source will make the data provision processes more transparent and auditable.</p>
RWE npower	Yes	We concur with the Group's suggestion that a competitive Supply market would be facilitated by efficient operation of Distribution activities, and believe that P246 would encourage efficient Distribution activities. We believe this constitutes a benefit against Objective (c).

Respondent	Response	Rationale
		<p>A P246 enabled solution is more transparent and efficient than LDSOs making independent arrangements with the necessary Suppliers for the data required. Whilst Suppliers may be able to charge for provision of this data, we believe that these LDSO costs would ultimately flow back to Suppliers. The transparency and efficiency awarded by the P246 solution would increase confidence in the arrangements and support market participation, realising a benefit against Objective (c).</p> <p>As identified by the Group, P246 would align the Code with the DCUSA arrangements regarding the provision of data between LDSOs for portfolio billing. We believe that P246 would remove some of the confusion that currently exists between the Code and the DCUSA, thus improving the efficiency of the Code arrangements and identify a benefit against Objective (d).</p>
EDF Energy	Yes	The Proposed Modification provides an efficient mechanism to ensure LDSO's are provided with the data they require in order to meet their obligations under the CDCM and supports objective d.
Electricity North West Limited	Yes	We agree with recommendation of the working group.
SAIC Ltd.(for and on behalf of ScottishPower)	Yes	<p>ScottishPower agrees with the Group that there is a benefit against Objective A as it would better facilitate the financial Settlement between Parties.</p> <p>The solution would also better facilitate efficiency and transparency within the arrangements and thus would meet Objective C.</p>

Question 9: Would the Alternative Modification P246 help to achieve the Applicable BSC Objectives compared to the current baseline?

Summary

Yes	No	Neutral/Other
11	1	0

Responses

Respondent	Response	Rationale
ESP Electricity Limited	Yes	We believe that Objectives (a), (c) and (d) are better met for those reasons outlined in the Modification Report.
GTC	Yes	Yes, the arguments are similar to above
Western Power Distribution	Yes	There is a clear benefit against objective (d) as it will promote efficiency in the implementation and administration of the balancing and settlement

Respondent	Response	Rationale
		arrangements if the requirements under the BSC are aligned with those under DCUSA.
IPNL	Yes	<ul style="list-style-type: none"> The efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence; <p>IPNL agrees with the panel's view that objective a would be facilitated by the ability of the Code arrangements to provide for the determination and financial settlement of obligations between BSC parties.</p> <ul style="list-style-type: none"> The promotion of 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; <p>IPNL believes that objective c would be fulfilled as the changes promote efficient Distribution activities which in turn will facilitate a competitive supply market.</p> <p>Note: Please see answer below to question 10.</p>
Central Networks	Yes	The Alternative Modification represents a less rational and efficient solution to the need for billing data, than the Proposed Modification.
EDF Energy Networks	Yes	<p>It is a stretch to argue that the financial settlements envisaged by the balancing and settlement arrangements stretches to use of system payments from one distributor to another. These are in fact dealt with adequately in DCUSA.</p> <p>It is not clear how the mod facilitates supply competition. Nor is it clear how it causes distributors' operations to be more efficient.</p> <p>The main argument has to be on consistency of the codes.</p>
E.ON UK	No	The objectives are at best neutral.
CE Electric UK	Yes	Even though the alternative modification is not as robust as the proposed modification it still seeks to make portfolio billing an effective process to implement as a common methodology across all parties involved.
RWE npower	Yes	We believe that the rationale provided for question 8 also applies to the Alternative Modification.
EDF Energy	Yes	The alternative would remove the barrier to LDSO's passing NHH data to other LDSO's which would facilitate alignment between the BSC and DCUSA and would therefore support objective d.
Electricity North	Yes	Limited to alignment of various codes only. It is inferior in a number of ways to the main P246

Respondent	Response	Rationale
West Limited		proposal.
SAIC Ltd.(for and on behalf of ScottishPower)	Yes	Though we believe the Alternative solution would offer a better solution than the current baseline we do not believe it would better achieve this compared to the proposed solution for the reasons detailed below. However, in regards to the question, as CDCM is coming into force in April 1 st 2010 the alternative would be more efficient than the current baseline and as such Objective A, C and D would be better facilitated.

Question 10: Would the Alternative Modification P246 help to achieve of the Applicable BSC Objectives when compared to the Proposed Modification?

Summary

Yes	No	Neutral/Other
2	10	0

Responses

Respondent	Response	Rationale
ESP Electricity Limited	No	The benefits to the Objectives are the same for each solution; only the relative magnitude differs (with the Proposed solution having the greater benefit due to the swift, inexpensive and efficient approach).
GTC	No	As we have indicated we believe that whilst both the proposal and the alternative achieve the applicable modification the proposal better achieves the modification
Western Power Distribution	No	Although both the original and alternative modification proposals will facilitate the provision of the necessary data to LDSOs, the proposed modification is believed to do so more efficiently and with a more certain cost. The proposed modification is therefore better able to meet objective (c) than the alternative modification.
IPNL	No	IPNL believes that as the iDNOs would be sending data directly to the host DNOs the impact on the BSC will be minimal (apart from textual changes). Therefore though the below objectives may still be fulfilled, they will be of a lesser impact when compared to the original P246 modification.

Respondent	Response	Rationale
		<ul style="list-style-type: none"> The efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence; The promotion of 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; The promotion of efficiency in the implementation and administration of the balancing and settlement arrangements. <p>IPNL also believes that the P246 Alternate is a less efficient way of achieving the objectives than the Proposed one. The IDNO will need to agree bilaterally with each DNO the form of the data they require and the method this data will be transferred. Previous experience suggests that DNOs will require individual bespoke solutions rather than an industry one with extremely large data retrieval costs falling on the IDNO (£9,000 per report). A standardised approach is far more efficient and economic.</p>
Central Networks	No	See Q8
EDF Energy Networks	Yes	<p>Because alignment of the BSC and the DCUSA is the main rationale we can see.</p> <p>However the DCUSA merely states that suppliers give permission for the relevant distributor (in DCUSA "the Company") to aggregate, manipulate and share data with any other distributor to whom they owe obligations.</p> <p>Therefore this alternative is better aligned to DCUSA which does not mention SVAA (albeit that the distributors with whom the data may be shared are wider in the proposed BSC drafting, about which we have already expressed concern).</p> <p>See DCUSA clause 29.11.</p>
E.ON UK	No	Neither better facilitate the BSC objectives all the benefits to Distributors occur in the DCUSA.
CE Electric UK	No	The proposed modification better facilitates objective (a) as the modification involves the provision of settlement data from a central source whereby obligations are placed upon BSC parties to ensure financial settlements are made whereas the alternative modification better facilitates objective (d) in relation to the provision of data between LDSO's and not between BSC parties.
RWE npower	Yes	<p>The Alternative Modification has less impact on the Code and is therefore more efficient in relation to the balancing and settlement arrangements, and therefore better facilitates Objective (d).</p> <p>However, it should be noted that we do not believe that sufficient analysis was available for the Alternative Modification with respect to costs for</p>

Respondent	Response	Rationale
		LDSOs to develop their own systems for the sharing of data for the purpose of portfolio billing. Had this information been available, we would have considered disproportionate costs when compared to the Proposed Modification as part of our response.
EDF Energy	No	The proposed modification provides a more efficient mechanism subject to the legal text being tightened up, for the submission of data to LDSO's and better aligns the BSC and DCUSA therefore objective d is supported by the implementation of this proposal.
Electricity North West Limited	No	As per the reasons stated by the working group.
SAIC Ltd.(for and on behalf of ScottishPower)	No	<p>We are of the opinion that the proposed Modification better meets the BSC Objectives than the Alternative solution on a number of key areas.</p> <p>The use of a central body to manage the data will better facilitate accuracy and transparency of data. We believe that this is essential for the success of the implementation of CDCM going forward and better facilitates BSC Objective C than could be achieved if the Alternative solution was adopted.</p> <p>Furthermore, the appropriation of funding for P246 as found in the Proposed solution would lead to better financial Settlement between parties and therefore better facilitates Objective A</p> <p>We have considered the position of those that support the Alternative that it would better facilitate Objective D. however we would disagree in that though there may be less impact on the Code the solution will not be as robust as the proposed solution and would therefore not be more efficient than the proposed solution and ultimately does not better facilitate Objective D.</p>

Question 11: Do you have any further comments on P246?

Responses

Respondent	Response	Rationale
ESP Electricity Limited	Yes	We would support the Proposed solution over the Alternative solution.
GTC	No	-
Western Power Distribution	No	-
IPNL	No	-
Central	Yes	Central Networks strongly prefers the Proposed

Respondent	Response	Rationale
Networks		Modification over the alternative. In our view this is clearly the most rational and efficient way of securing the HH data that we need to correctly bill embedded LDSOs in accordance with the CDCM.
EDF Energy Networks	Yes	<p>While we support portfolio billing, we have concerns over the loose drafting of this legal text which may allow commercially sensitive data to be circulated.</p> <p>Our preference would be for SVAA to provide data to only those other distributors whose network the electricity associated with that data has passed through. This should be described and operated in a more controlled manner than the current legal drafting provides comfort for.</p>
E.ON UK	Yes	We would question if portfolio billing is the best method for passing these charges between Distributors. The P246 solution is a prime example as it adds additional costs to the end customer.
CE Electric UK	No	-
RWE npower	No	-
EDF Energy	No	-
Electricity North West Limited	No	-
SAIC Ltd.(for and on behalf of ScottishPower)	Yes	<p>It is important to ensure that IDNOs finalise the MPAN migration which will allow to identify not only the type of end user connected to their network, but also the voltage of connection at which the IDNO is connected to the host DNO. See tables below for more detail (this is being discussed at the interim IDNO/DNO working groups, but it is important to keep this in mind, as the data about end users alone is not enough to allow billing IDNOs under a portfolio approach). This migration needs to be finalised by 1 April 2010.</p> <p>(See tables 1 and 2 below)</p>

Table 1 NHH traded MPANs

CDCM NHH Tariffs	Upstream Connection Voltage	Consumer connection Voltage	PC	Information Required	
				MPAN Count	kWh (Aggregated by SSC/TPR)
LDNO LV: Domestic Unrestricted	LV	LV	✓	✓	✓
LDNO LV: Domestic Two Rate	LV	LV	✓	✓	✓
LDNO LV: Domestic Off Peak (related MPAN)	LV	LV	✓	✓	✓
LDNO LV: Small Non Domestic Unrestricted	LV	LV	✓	✓	✓
LDNO LV: Small Non Domestic Two Rate	LV	LV	✓	✓	✓
LDNO LV: Small Non Domestic Off Peak (related MPAN)	LV	LV	✓	✓	✓
LDNO LV: LV Medium Non-Domestic	LV	LV	✓	✓	✓
LDNO LV: NHH UMS	LV	LV	✓	✓	✓
LDNO LV: LV Generation NHH	LV	LV	✓	✓	✓
LDNO HV: Domestic Unrestricted	HV	LV	✓	✓	✓
LDNO HV: Domestic Two Rate	HV	LV	✓	✓	✓
LDNO HV: Domestic Off Peak (related MPAN)	HV	LV	✓	✓	✓
LDNO HV: Small Non Domestic Unrestricted	HV	LV	✓	✓	✓
LDNO HV: Small Non Domestic Two Rate	HV	LV	✓	✓	✓
LDNO HV: Small Non Domestic Off Peak (related MPAN)	HV	LV	✓	✓	✓
LDNO HV: LV Medium Non-Domestic	HV	LV	✓	✓	✓
LDNO HV: NHH UMS	HV	LV	✓	✓	✓

Table 2 Information required in respect of each HH traded MPAN

CDCM HH Tariffs	Upstream Connection Voltage	Consumer Connection Voltage	MPAN count	Information Required ¹			
				HH kWh (aggregated by Red/Amber/Green)	Chargeable Capacity (kVA) ²	Excess Capacity ³	Reactive kVArh
LDNO LV: LV HH Metered	LV	LV	✓	✓	✓	✓	✓
LDNO LV: LV UMS (Pseudo HH Metered)	LV	LV	✓	✓	✓	✓	✓
LDNO LV: LV Generation Intermittent	LV	LV	✓	✓	*	*	*
LDNO LV: LV Generation Non-Intermittent	LV	LV	✓	✓	✓	✓	✓
LDNO HV: LV HH Metered	HV	LV	✓	✓	✓	✓	✓
LDNO HV: LV Sub HH Metered	HV	LV sub	✓	✓	✓	✓	✓
LDNO HV: HV HH Metered	HV	HV	✓	✓	✓	✓	✓
LDNO HV: LV UMS (Pseudo HH Metered)	HV	LV	✓	✓	*	*	*
LDNO HV: LV Generation Intermittent	HV	LV	✓	✓	*	*	*
LDNO HV: LV Generation Non-Intermittent	HV	LV	✓	✓	✓	✓	✓
LDNO HV: LV Sub Generation Intermittent	HV	LV	✓	✓	✓	✓	✓
LDNO HV: LV Sub Generation Non-Intermittent	HV	LV	✓	✓	✓	✓	✓
LDNO HV: HV Generation Intermittent	HV	HV	✓	✓	✓	✓	✓
LDNO HV: HV Generation Non-Intermittent	HV	HV	✓	✓	✓	✓	✓

¹ Information is required in respect of each HH MPAN
² This is the capacity entered into with the customer in the connection agreement
³ This is the exceeded capacity over the Chargeable Capacity for the individual MPAN taken from the Maximum Demand reported e.g. if MPAN (a) has a chargeable capacity of 150kVA and has measured a MD 155kVA, and MPAN(b) has a chargeable capacity of 120kVA but has measured a MD 95kVA, even though the aggregated Chargeable Capacity has not been exceeded, the individual MPAN has and therefore 5kVA should appear on the spreadsheet.