NETA Change Form

Title		Version No.
P212 - Main Imbalance Price based on Market Reference Price		0.1
		LogicaCMG Reference
		ICR831
ELEXON Reference	**Date CP Received**	**Date IA Issued**
P212	5th July 2007	17th July 2007
LogicaCMG Contact Name	**Baseline for Impact Assessment**	
	P212AS10.pdf v1.0 dated 5th July 2007	

Price Breakdown

Item description	Remarks	Price (ex VAT)
Change Costs		£ 27,500
Testing (Specification and Running)		£ 40,850
Release Costs		£ 49,650

Total Price (ex VAT)		**£118,000**

Price Tolerance	0%
Justification for Price Tolerance	
NOTE See "Any Other Information**" section for details of additional porting costs **	

Project Duration	18 weeks
Cut Off Date for Inclusion in Specified Release (if applicable)	
All prices assume Nov'08 Release is the target for this change.	

Operational Price (e.g. per annum or event) (ex VAT)	£0
Rationale	
N/A	

Annual Maintenance Price (ex VAT)	£0
Rationale	
The Annual Maintenance Price is zero under the agreement commencing on 1 January 2005.	

Validity Constraints	
• Price and duration assume that this change is developed in isolation and the effects of other changes are excluded. • No allowance is included for the final solution being different from the baseline. • No allowance is included for supporting Release Audit activities. Any effort will be charged at contracted T&M rates • No allowance is included for supporting ELEXON assurance activities. Any effort will be charged at contracted T&M rates • No allowance is included for End to End/Participant Testing activities. Any effort will be charged at contracted T&M rates • No allowance is included for Walkthrough activities. Any effort will be charged at contracted T&M rates • No allowance is included to support ELEXON in parallel run testing activities The validity period for this assessment is 30 days and is based on the following payment schedule: • LogicaCMG will invoice 30% on receipt of Purchase Order or authorised start of work, 30% on completion of first build phase, 30% on live implementation and 10% on successful completion of the Success Criteria or one month after live implementation, whichever is sooner.	
Authorised Signature	**Date Signed**

Requirements and Solution

Brief Summary of Change

Proposed Modification P212 seeks to replace part of the current Energy Imbalance Price methodology with an alternative method for determining the 'main' Energy Imbalance Price. The main Energy Imbalance Price is that paid by Parties who are in imbalance in the same direction as the system. P212 proposes that the main Energy Imbalance Price is the market price increased by a fixed percentage of 5% when the system is short, or the market price decreased by a fixed percentage of 5% when the system is long.

No change is proposed to the existing calculation of the reverse price which is based on the market price.

LogicaCMG's Proposed Solution

The modification impacts the Settlement Calculation (SAA/BMRA) and the SAA Settlement Report (SAA-I014).

Assumptions

1. There will be no change to BSAD data files though some items, such as SPA and BPA, are no longer relevant.
2. There will be no change to the BMRS. Any data items currently reported that will not be generated under P212 will simply be left blank (e.g. the Price Derivation Code).

Options

De Minimis Acceptance Threshold

There is no difference in effort whether De Minimis Acceptance Threshold is retain or removed from the NIV calculation.

NIV Calculation

The difference in effort between continuing with the existing NIV calculation and with replacing the existing calculation with the simpler version is, at this level of assessment, considered to be zero.

Settlement Calculation (LogicaCMG)

Overview

The BMRA and SAA Settlement Calculation is modified so the calculation of the Main Price is derived from the Market Index Price.

Required Work

- Create two new dated system parameters: The P212 Premium and Discount Values.
- Modify the F009 functionality to include P212 functionality for P212 effective Settlement Dates.

Documentation

SAA – URS, Functional Spec, Design Spec.

SAA Settlement Reporting (I014)

Overview

A new DTC version of the SAA-I014 flow will be defined. The SAA-I014 module will be modified to remove those data items currently reported that are not relevant for P212 effective dates. Note that P212 will not require any new reported data.

Require Work

- Modify the SAA-I014 report module.

Documentation

SAA – URS, Functional Spec, Design Spec.
IDD Part 1 – Document and Spreadsheet.
IDD Part 2 – Document and Spreadsheet.

Deviation from ELEXON's Solution / Requirements

None

Operational Solution and Impact

None identified

Testing Strategy

Unit	X	Change Specific	X	End to End	
Module	X	Operational Acceptance	X	Participant Testing	
System	X	Performance		Parallel Running	
Regression	X	Volume		Deployment/ Backout	X

Other:

Validated Assumptions

There will be no change to BSAD data files though some items, such as SPA and BPA, are no longer relevant.

There will be no change to the BMRS. Any data items currently reported that will not be generated under P212 will simply be left blank (e.g. the Price Derivation Code).

The prices for this change are based on a target release of Nov'08 on Tru-64 and Oracle 9i (Also this would mean the CVA Port and Migrate coding phase had completed before this change starts).

Outstanding Issues

None

Changes to Service							
Services Impacted							
	BMRA	CDCA	CRA	ECVAA	SAA	TAA	Other
Software					X		
IDD Part 1 (Docs)					X		
IDD Part 1 (S'Sheet)					X		
IDD Part 2 (Docs)					X		
IDD Part 2 (S'Sheet)					X		
URS					X		
SS							
DS							
MSS							
OSM							
LWIs							
RTP	None						
Comms	None						
Other	None						

Nature of Documentation Changes
The following Documentation changes will be necessary for this assessment: SAA – URS, Functional Spec, Design Spec. IDD Part 1 – Document and Spreadsheet. IDD Part 2 – Document and Spreadsheet.

Nature / Size of System Changes
N/A

Deployment Issues, e.g. Outage Requirements:	None
Impact on Service Levels:	None
Impact on System Performance:	None

Responsibilities of ELEXON
Within reasonable levels, ELEXON will make available appropriate staff to assist LogicaCMG 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
We have assumed a November 2008 target release for these costings. This means delivery under the current hardware baseline (Tru-64 and Oracle 9i) and thus would require an additional activity to port. Migrate and test the changes on the new hardware baseline (HP-UX and Oracle 10g). The Testing for a HP-UX and Oracle 10g environment would be a repeat run of the testing scope quoted in this assessment. The release costs (including OAT, Deployment Testing and deployment) are non-determinable at this time as no decisions have been made about the Operate and Host supplier for this period (and their relative responsibilities for a release onto the live environment). If LogicaCMG were the Operate and Host supplier we would be able to reduce the release costs from those quoted above due to documentation similarities.
Attachments
None