

P256 Consultation Responses

Consultation issued on 19 May 2010

We received responses from the following Parties

Company	No BSC Parties / Non-Parties Represented	Role of Parties/non-Parties represented
TMA Data Management Ltd	0/1	NHHDC, NHHDA, HHDC and HHDA
MRASCo Ltd	0/1	MRA
Centrica	10/0	Supplier/Generator/Trader
Western Power Distribution	2/1	Distributor, MOA
RWE Npower Limited	8/0	Supplier / Party Agent
E.ON UK	6/0	Supplier / Generator / Trader / Consolidator / Exemptable Generator
Scottish Power PLC	4/2	Supplier/Generator/Trader/ Party Agent
EDF Energy	13/0	Supplier/Generator/Trader/Consolidator/Exemptable Generator/Party Agent/Distributor

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

Question 1: Would the Proposed Modification help to achieve the Applicable BSC Objectives?

Summary

Yes	No	Neutral/Other
7	1	0

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	Yes	It would help to achieve objective d in streamlining the Trading Dispute process by removing unnecessary steps.
MRASCo Ltd	Yes	If the TDC approves all rectification approaches then the overall disputes process is quickened by virtue of the fact that further approval does not need to be sought from the Panel. The removal of concepts of precautionary queries from BSCP11 will further streamline and simplify the process.
Centrica	Yes	Centrica supports the views expressed by the modification group in relation to objective d only.
Western Power Distribution	Yes	The proposed modification would introduce a simpler process for Trading Disputes and would result in a more efficient way of doing things, which would meet Applicable BSC Objective D
RWE Npower Limited	Yes	Extending the HH deadline creates more flexibility and greater opportunity to correct erroneous settlement values. Applicable to BSC Objective D. In addition, providing the TDC with the power to make decisions to end date disputes and precautionary Trading Queries streamlines the process and increases effectiveness. This decision-making capability also provides clarity to the process and makes more accessible the escalation route to challenge TDC decisions that currently fall outside the arbitration criteria in Section W.
E.ON UK	Yes	By streamlining the process to remove unnecessary steps and align query deadlines P256 should help further BSC Applicable Objective D. Removing the need for Queries/Precautionary Queries to be raised for issues which are resolved during normal Settlement, while allowing SVA HH queries for issues that cannot be raised within the current R2+20wd deadline to address long-standing errors unearthed e.g. from site visits will also be more efficient. Other aspects of P256 such as allowing Parties to appeal the rectification approach used to adjust errors can also be viewed as

Respondent	Response	Rationale
		having minor benefits under Objective C, but fundamentally this modification will aid the efficiency of BSC administration.
Scottish Power PLC	Yes	<p>It is clear that the aim of this Modification is to improve the Trading Dispute process by giving the TDC more power on whether or not to rectify a dispute, and as to what method should be used. Another advantage is that it will allow TDC to amend the end date of a dispute were an error extends beyond the date held on the raising form - thus allowing for more settlement data to be corrected in one go, and minimising the need for additional disputes. Moreover, from a BSC Party perspective, the dispute process will be easier to follow by adopting the same timelines for NHH & HH disputes/ as well as removing the need for precautionary trading queries and providing more clarity around the definition of what a settlement error really is. As such we believe that this Modification will better facilitate Applicable BSC Objective (D) i.e. Promoting efficiency in the implementation & administration of the BSC arrangements, for the reasons listed above as well as the fact that it should help reduce the amount of work involved for all parties. To a lesser extent we would argue that it would also benefit BSC Objective (C) Promoting effective competition- because by making this process easier to understand/follow, new parties are less likely to be deterred if the overall process is less complex & there is a greater opportunity for parties to correct errors and so see an increase in the accuracy of Settlements and their own trading position.</p>
EDF Energy	No	<p>The proposal to extend the deadline for raising SVA HH queries/disputes from its current point (R2+20 WD) to beyond the Final Reconciliation run (RF+70 WD) may reduce the incentive to procure accurate data at Final Reconciliation. This outweighs the benefits of the other changes proposed.</p> <p>EDF Energy support the potential alternative proposal which would introduce proposed changes with the exception of moving the query/dispute deadline. Note there was an even split of modification group members between those preferring the proposal and those preferring the potential alternative, and the modification group was unanimous in considering the potential alternative better than the baseline.</p>

Question 2: Do you believe that there are any alternative solutions which the Modification Group has not identified, and which it should consider?

Summary

Yes	No	Neutral/Other
0	8	0

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	No	-
MRASCo Ltd	No	The changes add efficiency to the disputes process (Applicable Objective (c))
Centrica	No	-
Western Power Distribution	No	-
RWE Npower Limited	No	-
E.ON UK	No	As discussed by TDC and the Group: although also implementing the power for TDC to amend dispute start dates could reduce the opportunity for Parties to only claim for periods which would benefit them, this would increase uncertainty as well as being legally problematic.
Scottish Power PLC	No	This Modification contains all the key points from the BSCP11 review to make the dispute process both easier to understand and easier to administer.
EDF Energy	No	-

Question 3: The Group believes that the P257 changes to the BSC should be implemented either on:

04 November 2010 if an Authority decision is reached by 24 September 2010; or

the Next Available Release if a decision is made after 24 September 2010.

Do you agree?

Summary

Yes	No	Neutral/Other
7	0	1

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	Yes	
MRASCo Ltd	Yes	Changes can be implemented promptly, and Parties have a clear date for when processes apply- applicable objective (d)
Centrica	-	An operational day approach would appear to have an unusual characteristic for the proposed modification due to the deadline for the SVA HH query being reopened for some Settlement Days. That is, the change from a deadline of R2 + 20WD to RF + 70WD on 4 November 2010 would effectively allow disputes to be raised for settlement periods which are prior to the implementation date and for which the R2 + 20WD deadline had already passed. NB. It is not clear in the consultation documentation what the minority of the Modification Group believed was an appropriate Implementation Approach.
Western Power Distribution	Yes	These changes should be implemented as part of a planned release and do not warrant the additional cost of a separate release. The modification should also be implemented at the same time as P257 & P258
RWE Npower Limited	Yes	We would like to see this modification implemented ASAP.
E.ON UK	Yes	For P256 as well as P257.
Scottish Power PLC	Yes	Given that no system changes will be required if this Modification is approved by the Authority – we believe that it should be implemented at the first available release - which in this case would mean the earliest date this would in fact be implemented is 4 th November

Respondent	Response	Rationale
		2010 providing the Authority reaches its decision by 24 th Sep 2010.
EDF Energy	Yes	We assume this question should refer to P256 rather than P257. It would be preferable if sufficient notice was given such that any movement of the query deadline would not effectively be retrospective in relation to particular settlement days. For example, if the notice period were such that the earliest day querable at the time of notice of approval being given was equal to the earliest day querable on the date of implementation.

Question 4: The Groups initial majority view is that it believes that P256 Proposed will better facilitate the achievement of Applicable BSC Objective (d) and to a lesser extent (c) when compare to the existing BSC requirements.

Do you agree?

Summary

Yes	No	Neutral/Other
7	1	0

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	Yes	The existing BSC requirements involve the Panel for all Trading Dispute determination following the TDC recommendation, by removing this step and allowing the Panel to be involved only if requested by the TDC or a Party, Applicable BSC Objective d is better facilitated.
MRASCo Ltd	Yes	The change helps with the making the disputes process less onerous, whilst any effects on competition seem fairly indirect.
Centrica	Yes	As per question 1
Western Power Distribution	Yes	We agree it will meet objective D. We are not convinced it meets objective C
RWE Npower Limited	Yes	By developing systems and processes that facilitate a greater opportunity for Parties to correct Trading Charge errors and thus improve the accuracy of Settlements, this modification will greatly improve the administration of the Balancing and Settlement arrangements and the accuracy of the Settlement data. See also the RWE npower response to question 1 above.

Respondent	Response	Rationale
E.ON UK	Yes	As answered in question 1.
Scottish Power PLC	Yes	The whole reason for this Modification is to improve understanding and improve the overall efficiency of the Dispute process. As a result, this Modification will clearly be of greatest benefit to achieving BSC Objective (D) However as stated in Q1 this Modification will have some benefit in improving BSC Objective (C) Promoting effective competition- because by making this process easier to understand/follow, new parties are less likely to be deterred if the overall process is less complex & there is a greater opportunity for parties to correct errors and so see an increase in the accuracy of Settlements and their own trading position.
EDF Energy	No	The proposal to extend the deadline for raising SVA HH queries/disputes from its current point (R2+20 WD) to beyond the Final Reconciliation run (RF+70 WD) may reduce the incentive to procure accurate data for Final Reconciliation. This outweighs the benefits of the other changes proposed. The proposal may increase accuracy at the DF stage, but we think there is benefit in promoting early data accuracy with a view to not requiring DF at all.

Question 5: Would the potential alternative Modification help to deliver the Applicable BSC Objectives compare to the current Baseline?

Summary

Yes	No	Neutral/Other
6	1	1

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	Yes	
MRASCo Ltd	Yes	See Question 1.
Centrica	Yes	The benefits are the same as for the proposed modification with the exception of the point in our response to Q6.
Western Power Distribution	Yes	The alternative is better than what exists now and thus is more efficient (objective D)
RWE Npower Limited	No	The proposed alternative that does not seek to align the NHH and HH query timelines, is in our view, an inferior solution. We understand and agree with the

Respondent	Response	Rationale
		<p>argument that a great deal of the SVA HH errors are long standing and hence would fall outside of the proposed new time-scales but if these types of errors are to be identified and mitigated going forward then a solution that extends the query time-scales for HH errors can only be beneficial.</p> <p>The Settlement data 'supply chain' involves several industry parties, all of which operate systems and processes to certain agreed time-scales and deadlines. In the limit, these time constraints often compete with Trading error resolution timescales. The result is that certain errors are not always brought to light within the current restrictive R2+20WDs time-scale. These current time-scales may possibly prohibit parties from raising disputes.</p>
E.ON UK	Yes	The potential alternative would also be an improvement on the current situation for the same reasons as the Proposed; as per answer to question 1.
Scottish Power PLC	Yes	Yes, it is better than the current baseline in that it helps better facilitate BSC Objective (D) and to a less extent BSC Objective (C) for the reasons already outlined in Q1 with the exception of not changing the SVA HH Query deadline.
EDF Energy	-	-

Question 6: Would the potential alternative Modification help to deliver the Applicable BSC Objectives compared to the Proposed Modification?

Summary

Yes	No	Neutral/Other
3	4	1

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	Yes	The potential alternative Modification would help deliver Applicable BSC Objective c better than the Proposed Modification by keeping the HH Trading Dispute raising deadline to R2+20WD. By doing so, it encourages Suppliers and party Agents to resolve issues promptly. If in doubt a Supplier can request a site visit and/or a proving test in order to check the metering set up. As the volumes of energy involved in a HH site are by nature much higher than a NHH site, the HH customers are more aware of their expected

Respondent	Response	Rationale
		level of consumption allowing for prompt discovery of HH metering set up issues that may cause a Trading Dispute. It is understood that harmonising the NHH and HH deadlines would make administration tasks easier but it would be using the lowest common denominator rather than improving the existing process.
MRASCo Ltd	Yes	Provides incentive for Parties to identify and correct the error in a timely fashion, avoiding recourse to Post Final Settlement Runs or Extra Settlement Determinations.
Centrica	Yes	Centrica supports the view that not changing the SVA HH query deadline allows for greater certainty in the arrangements which provides benefit against objective c when compared to the Proposed Modification.
Western Power Distribution	No	Not moving the HH deadline removes a major benefit from this modification. Based on recent dispute decisions it appears that Distributors could be expected to make use of DUoS data to identify potential disputes. To do this effectively will often require analysis of consumption over a 12 month period and the alternative Modification will not allow for this.
RWE Npower Limited	No	Improvements in the effective administration of the Settlements process will not be as great under the suggested alternative proposal for the reason given in answer to question 5 above.
E.ON UK	No	The potential alternative would be a step forward for the same reasons as the Proposed, but seems less efficient and more complex than the Proposed solution. Parties are naturally interested in obtaining accurate Settlement data as soon as possible and the efficiency and minor competitive benefits of extending the deadline outweigh any reduction to this incentive.
Scottish Power PLC	No	The alternate Modification will not better facilitate the applicable BSC Objectives when compared to the Proposed Modification – particularly Objective (D) as by not changing the SVA HH query deadlines we will still have different timescales for HH & NHH disputes. Consequently, this does not achieve one of the key aims of this Modification which is to create a process which is both easier to understand and use. Also, it is likely to be less efficient, as TDC will see more disputes raised under 'exceptional circumstances' than under the proposed due to the tight timescales on HH data. In addition, it reduces the opportunity to make Settlements more accurate - as it stops parties correcting errors even though there are additional settlement runs still to be processed. (i.e.R2 to RF)
EDF Energy	-	-

Question 7: Do you have any further comments on P256?

Responses

Respondent	Response
TMA Data Management Ltd	No
MRASCo Ltd	No
Centrica	It appears the intent of the TDC amending the end dates of a query is not matched by the legal text. The solution is to allow the TDC to amend the end date only where the error extends beyond that date. However the new 3.4.1 (c) of the draft legal text appears as though it would allow the TDC to choose any date – and hence allow them to specify an end date prior to that claimed for. If this is the intended solution then the modification group needs to justify why the TDC could change the end date to an earlier date than that on the form.
Western Power Distribution	No
RWE Npower Limited	No
E.ON UK	No
Scottish Power PLC	No
EDF Energy	No