

P258 Consultation Responses

Consultation issued on 19 May 2010

What stage is this document in the process?

01 Initial Written Assessment

02 Definition Procedure

03 Assessment Procedure

04 Report Phase

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
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

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

Summary

Yes	No	Neutral/Other
-	6	0

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	No	Adding an obligation on Party Agents would not help achieve Applicable BSC Objectives, on the contrary. The existing obligations on BSC Parties is sufficient, the Proposed Modification would further complicate the existing process.

P258 Assessment Consultation Responses

04 June 2010

Version 1.0

Page 1 of 8

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Respondent	Response	Rationale
MRASCo Ltd	No	Applicable BSC Objective (d)- Makes the monitoring process more onerous
Western Power Distribution	No	The proposed modification initially appears to offer a benefit in that it would potentially increase the likelihood that a settlement error would be reported. However we believe that the extra efforts required by Parties, Agents and Elexon to monitor and police the requirement and to act on what is reported, will outweigh the potential benefit. It is likely to make the Disputes process less efficient.
RWE Npower Limited	No	<p>This will cause confusion as there are other ways of dealing with errors under current prevailing systems and processes that BSC Parties are obliged to follow. Utilisation of other processes avoids the raising of unnecessary Trading Disputes. In addition, implementation of the proposed modification could lead to duplication of effort if both Supplier and Agent provide reports that lead to the raising of a Trading Dispute. Supplier Agents are not BSC Parties and as such RWE npower believe that implementation of this proposed modification could be difficult to achieve consistently in practice and could therefore lead to difficulties in the management of the process going forward. This would not improve efficiencies in administration of the BSC, but quite the reverse.</p> <p>This modification, if implemented, will introduce further complexity in managing Settlement error resolution, introducing less efficiency into the Settlement process. This would be in conflict with BSC Objective d.</p>
E.ON UK	No	In theory by obliging such communications P258 could empower Agents to report potential errors to ELEXON. However as the Review and Modification Groups identified, Suppliers already have an obligation to achieve accurate Settlement Data and those Agents who wish to highlight possible errors may already do this. Any such obligation would seem largely ineffective when few if any Agents are likely to be in possession of the necessary information anyway and furthermore there would be no means of enforcing this requirement. Were Agents with an incomplete view to flag potential errors from a sense of obligation this could also lead to time wasted investigating data which proved not to form the basis for a valid Dispute.
Scottish Power PLC	No	Whilst the aims of this Modification are laudable, in reality we believe it will be extremely difficult to enforce. In fact it may prove unworkable- e.g one party agent e.g a (DC) may have one view - whereas the DA may have another – this will significantly increase the likelihood of spurious disputes being raised with ELEXON. Clearly whenever a Supplier has appointed

Respondent	Response	Rationale
		<p>different parties to perform the roles of MOP DC; DR & DA there maybe be differences in data and hence the potential for disputes - but the onus in the BSC is on/ and should be on the Supplier to ensure that data is correct within Settlements, which is in keeping with this principle of Supplier HUB Management. There are also the practicalities around the contractual arrangements between Suppliers & its agents that would need to be considered and evaluated fully before any change in this area is made.</p> <p>Moreover, from a BSC Objective perspective, this Mod clearly won't be more efficient – for the reasons already stated, and as it will clearly require additional monitoring between Suppliers; Agents and ELEXON with no guarantees as to improved data quality.</p>
EDF Energy		<p>We think it unlikely that the proposed modification would help better achieve the BSC Objectives, but there is insufficient information to form a firm view. Suppliers already have an obligation and an incentive to raise queries and disputes to obtain accurate data, achieved with the assistance of agents. The total costs of implementing and administering the proposed process, with co-ordination required between suppliers, supplier agents and Elexon, could easily outweigh any benefits in improved net accuracy which might arise. If the volume of occurrences were to turn out to be low, then although the actual operational cost might be correspondingly low, so would the benefits. Only if there is a high value in errors which would currently remain unresolved, but would be resolved with involvement of Elexon, would the objectives be better met.</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	7	0

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	No	-
MRASCo Ltd	No	P256 and P257 appear to have key aspects covered.
Western Power Distribution	No	-
RWE Npower Limited	No	-

Respondent	Response	Rationale
E.ON UK	No	-
Scottish Power PLC	No	-
EDF Energy	No	More fundamental changes to responsibilities for procuring meter data and monitoring and incentivising performance might deliver more timely and accurate data, but the costs of change could be considerable and the net benefit very uncertain.

Question 3: The Group believes that the P258 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
5	2	0

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)
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 P256 & P257
RWE Npower Limited	No	We do not think this modification should be implemented at all.
E.ON UK	Yes	-
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 2010 providing the Authority reaches its decision by 24 th Sep 2010.

Respondent	Response	Rationale
EDF Energy	No	It would be sensible to allow more notice for arrangements between Suppliers, their agents and Elexon to be put in place.

Question 4: The Groups initial majority view is that it believes that P258 will not better facilitate the achievement of the relevant Applicable BSC Objectives (d) and (c) when compared to the existing BSC requirements.

Do you agree?

Summary

Yes	No	Neutral/Other
6	0	1

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	Yes	As in response to question 1
MRASCo Ltd	Yes	It will be difficult to enforce, and the monitoring processes are onerous
Western Power Distribution	Yes	As per response to question 1.
RWE Npower Limited	Yes	As per reasons given in answer to question 1.
E.ON UK	Yes	As per answer to question 1, P258 seems idealistic but toothless and could create more inefficiency in BSC administration.
Scottish Power PLC	Yes	Same as Question 1
EDF Energy	-	Without firm information on the likely costs and benefits it is difficult to form a view, and we remain neutral. Costs would arise in setting up formal arrangements between Suppliers, agents and Elexon. Operational resource dependent on the number of additional query/disputes raised would be required in Elexon and possibly within Suppliers and their agents. The likely number of additional query/disputes is very uncertain, and could be low, in which case the benefit in improved accuracy would be low.

Question 5: Given the clauses in the Code are there any reasons to extend the obligations around Party Agent involvement in the Dispute process?

Summary

Yes	No	Neutral/Other
0	6	1

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	No	Parties are under obligation to provide accurate data to Settlement. The onus must remain on Suppliers to raise potential Trading Disputes whilst Party Agents report significant issues to the relevant Supplier, adding an obligation on Party Agents to raise disputes or report all significant errors to Elexon does not add any value. The BSC Audit process should highlight any significant errors that may not have been raised.
MRASCo Ltd	No	Section U1.2 already has sufficient provisions for accuracy and completeness of data from Parties
Western Power Distribution	No	In order to fully comply with the code, Parties should already have processes in place to identify and correct settlement errors, including for cases where the error is identified by their agents. Extending the obligations would duplicate the existing requirements.
RWE Npower Limited	No	As per our answer to question 1.
E.ON UK	No	-
Scottish Power PLC	No	Given the obligations in the Code are against the Supplier to manage its party agents, we can see no benefit to extending the obligations of party agents involvement in the dispute process – particularly as it raises the question again as to HOW could you enforce this?.
EDF Energy	-	Implementing more detailed obligations on how the general obligation in section U1.2 is achieved, to procure accurate and complete data, might deliver improved accuracy, but there is no evidence this would be an efficient or effective refinement.

Question 6: Are there any reasons why Supplier Agents would need to inform ELEXON of significant errors directly rather than doing so via their respective Party?

Summary

Yes	No	Neutral/Other
0	6	1

Responses

Respondent	Response	Rationale
TMA Data Management Ltd	No	-
MRASCo Ltd	No	Making Suppliers ensure that their Supplier Agents notify ELEXON will reduce efficiency, as non-issues are more likely to be examined.
Western Power Distribution	No	The Supplier Hub principle should apply. Supplier Agents work on behalf of, and are responsible to, their associated Party and all reports of errors should be made through that Party
RWE Npower Limited	No	As per our answer to question 5.
E.ON UK	No	Not that we are aware of.
Scottish Power PLC	No	As stated in question 1, a Supplier's agent may not have the full picture – e.g. where a Supplier has appointed different parties to the roles of Mop; DC; DR & DA there may be an error from a DC perspective, whereas the DA maybe holding correct data which has gone into Settlements resulting in no dispute. So not only is in the Supplier in the best position to determine whether or not there is a dispute, he also has a contractual arrangement with its agents to maximise performance and the quality of the data obtained. Maybe, the question that needs to be addressed is how ELEXON can track 'significant errors' which have not been raised by Suppliers and seek their resolution?
EDF Energy	-	Supplier performance in resolving errors brought to their attention by their agents is unclear. The proposal assumes that notification to Elexon would improve the current process of resolving identified errors, but this would only be the case if existing performance is poor.

Question 7: Do you have any further comments on P258?

Responses

Respondent	Response
TMA Data Management Ltd	No
MRASCo Ltd	No
Western Power Distribution	No
RWE Npower Limited	RWE npower have no further comments to make with regard to P258, at present.
E.ON UK	No
Scottish Power PLC	No
EDF Energy	-