96/005

ASSESSMENT REPORT for Modification Proposal P190

Removal of the obligation on the CDCA to provide a witnessing and sealing service in respect of all Metering Equipment associated with CVA Metering Systems

Prepared by: P190 Modification Group

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This document has been distributed in accordance with Section F2.1.10[1] of the Balancing and Settlement Code.

RECOMMENDATIONS

The P190 Modification Group invites the Panel to;

- **AGREE that Proposed Modification P190 should be made;**
- **AGREE a provisional Implementation Date for Proposed Modification P190 of 28 June 2006 if an Authority decision is received on or before 1 March 2006, or 8 November 2006 if the Authority decision is received after 1 March 2006 but on or before 12 July 2006;**
- **AGREE the draft legal text for Proposed Modification P190;**
- **AGREE that Modification Proposal P190 be submitted to the Report Phase; and**
- **AGREE that the draft Modification Report be issued for consultation and submitted to the Panel Meeting of 13 October 2005.**

[1] The current version of the Balancing and Settlement Code (the 'Code') can be found at http://www.elexon.co.uk/bscrelateddocs/BSC/default.aspx

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CONTENTS TABLE

Summary of Impacted Parties and Documents 4

1 Description of Proposed Modification and Assessment Against the Applicable BSC Objectives 5
1.1 Modification Proposal 5
1.2 Process followed to date 5
1.3 Proposed Modification 6
1.4 Issues Raised by the Proposed Modification 6
1.4.1 Risks to Settlements Process 6
1.4.2 End to End Process 8
1.4.3 Sealing Pliers Register 9
1.4.4 Cost Benefit Analysis 10
1.4.5 Ofgem's Potential Consultation with the Health & Safety Executive 11
1.4.6 Consideration of the St John's Wood Incident 11
1.4.7 Summary of Group's Conclusions 11
1.5 Assessment of how the Proposed Modification will Better Facilitate the Applicable BSC Objectives 12
1.6 Alternative Modification 12
1.7 Governance and Regulatory Framework Assessment 12

2 Costs 13

3 Rationale for Modification Group's Recommendations to the Panel 14

4 Impact on BSC Systems and Parties 14
4.1 BSCCo 14
4.2 BSC Systems 15
4.3 Parties and Party Agents 15

5 Impact on Code and Documentation 15
5.1 Balancing and Settlement Code 15
5.2 Code Subsidiary Documents 16
5.3 Configurable Items 17
5.4 BSCCo Memorandum and Articles of Association 17
5.5 Impact on Core Industry Documents and Supporting Arrangements 17

6 Summary of Consultations 17
6.1 Modification Group's Summary of the Consultation Responses 18
6.1.1 Applicable BSC Objectives 18
6.1.2 Potential Alternative Modifications 18
6.1.3 Meter Operator Affiliation with Registrant 19
6.1.4 Sealing Requirements 19
6.1.5 Sealing Register 19
6.1.6 Third Party Contractors 19
6.1.7 Issues Identified During Consultation 19
6.1.8 Further Comments 20

7 Summary of Transmission Company Analysis 20
7.1 Analysis 20
7.2 Comments and Views of the Modification Group 20

8 Summary of External Advice 20

9 Implementation Approach 21

10 Document Control 21
10.1 Authorities 21
10.2 References 21

Annex 1 Draft Legal Text 22

Annex 2 Modification Group Details 22

Annex 3 Assessment Consultation Responses 23

Annex 4 Transmission Company Analysis 24

Annex 5 BSC Agent Impact Assessments 25

Annex 6 Party and Party Agent Impact Assessments 30

Annex 7 Clarification of Costs 35

SUMMARY OF IMPACTED PARTIES AND DOCUMENTS

As far as the P190 Modification Group has been able to assess the following parties/documents have been identified as being potentially impacted by Modification Proposal P190.

Parties	
Suppliers	☒
Generators	☒
Licence Exemptable Generators	☒
Transmission Company	☒
Interconnector	☒
Distribution System Operators	☒
Non-Physical Traders	☐
Party Agents	
Data Aggregators	☐
Data Collectors	☐
Meter Operator Agents	☒
ECVNA	☐
MVRNA	☐
BSC Agents	
SAA	☐
FAA	☐
BMRA	☐
ECVAA	☐
CDCA	☒
TAA	☐
CRA	☐
Teleswitch Agent	☐
SVAA	☐
BSC Auditor	☐
Profile Administrator	☐
Certification Agent	☐
MIDP	☐
Other Agents	
SMRA	☐
Data Transmission Provider	☐

Sections of the BSC	
A	☐
B	☐
C	☐
D	☐
E	☐
F	☐
G	☐
H	☐
I	☐
J	☒
K	☐
L	☒
M	☐
N	☐
O	☐
P	☐
Q	☐
R	☒
S	☐
T	☐
U	☐
V	☐
W	☐
X	☐

Code Subsidiary Documents	
BSC Procedures	☒
Codes of Practice	☐
BSC Service Descriptions	☒
Service Lines	☐
Data Catalogues	☐
Communication Requirements Documents	☐
Reporting Catalogue	☐
MIDS	☐
Core Industry Documents	
Grid Code	☐
Supplemental Agreements	☐
Ancillary Services Agreements	☐
Master Registration Agreement	☐
Data Transfer Services Agreement	☐
British Grid Systems Agreement	☐
Use of Interconnector Agreement	☐
Settlement Agreement for Scotland	☐
Distribution Codes	☐
Distribution Use of System Agreements	☐
Distribution Connection Agreements	☐
BSCCo	
Internal Working Procedures	☒
Other Documents	
Transmission Licence	☐
System Operator-Transmission Owner Code	☐

X = Identified in Report for last Procedure
N = Newly identified in this Report

1 DESCRIPTION OF PROPOSED MODIFICATION AND ASSESSMENT AGAINST THE APPLICABLE BSC OBJECTIVES

1.1 Modification Proposal

Modification Proposal P190 'Removal of the obligation on the CDCA to provide a witnessing and sealing service in respect of all Metering Equipment associated with CVA Metering Systems' (Reference 1) was raised on 2 June 2005 by RWE Npower (the 'Proposer').

Section R 6.1.2 of the Code states that 'Subject to section I 6.7.1 the CDCA shall provide a witnessing and sealing service in respect of all Metering Equipment associated with CVA Metering Systems pursuant to BSCP 06'.

BSCP 06 'Notification and Sealing of Metering Equipment' outlines the responsibilities of the Meter Operator Agent (MOA), Central Data Collection Agent (CDCA) and Registrant with regard to notification, authorisation and witnessing of the breaking of seals on Metering Equipment associated with Central Volume Allocation (CVA).

Currently, if a MOA wishes to carry out routine or fault rectification work on a Metering System they must first give notification to the CDCA of when and where the work is to be carried out and the CDCA must give approval for work to proceed. The CDCA must attend the site on the day of the work, take 'before' Meter readings, remotely interrogate the Outstation(s) and break any necessary Metering Equipment seals. On the day the MOA completes this work the CDCA must return to the site to take 'after' meter readings, remotely interrogate the Outstation(s) and then re-seal the Metering Equipment. The only exception to this is in an operational emergency where the MOA can break the seal(s). However, the CDCA must attend the site to re-seal the Metering Equipment. In addition, before a new Metering System can be used in Settlements, the CDCA must attend site and seal all Metering Equipment and take 'initial' Meter readings.

The Proposer's view is that the current arrangements necessitate a lot of travelling and consequently expense by the CDCA just to carry out a few minutes work and that there is also the time and expense incurred by both the MOA and CDCA in the logistics of organising a site visit, with the MOA often having to wait on site for the CDCA to arrive before work can begin. The Proposer also noted that under the 1998 trading arrangements Stage 2 MOAs (equivalent to Supplier Volume Allocation (SVA) under NETA (New Electricity Trading Arrangements)) had to be accredited and were given responsibility for sealing Metering Equipment. When NETA was introduced, accreditation and certification arrangements were put in place for CVA MOAs which were the same as those followed by SVA MOAs, with the obligation to seal Metering Equipment going to the CDCA. It is the Proposer's view that there is no reason why the CVA and SVA sealing arrangements should not be harmonised.

P190 proposes to remove the obligation on the CDCA and place the obligation to provide a witnessing and sealing service in respect of all Metering Equipment associated with CVA Metering Systems on the relevant CVA MOA.

It should be noted that a Change Proposal (CP), CP0996, was raised in April 2004 in order to address the same issue raised by this Modification Proposal. The CP was subsequently withdrawn as legally the obligation to witness and seal CVA Metering Systems could not be placed on anyone other than the CDCA, as is specified in the Code.

1.2 Process followed to date

The P190 Initial Written Assessment (IWA) (Reference 2) was presented at the Panel Meeting held on 14 July 2005, where the Panel determined that the Modification Proposal be submitted to a two-month Assessment Procedure conducted by the P190 Modification Group (the 'Group'). The Panel agreed that

this Group should be comprised of members of the Settlement Standing Modification Group and metering experts. The areas for discussion raised by the Balancing and Settlements Code Company (BSCCo) and the Panel during the IWA formed the basis of the P190 Modification Group's Terms of Reference, and can be found in Annex 2 along with details of the Group's membership.

The Group convened for the first time on 20 July 2005. After discussing the issues raised by the IWA and the Panel the Group issued an industry consultation document (Reference 3) and commissioned impact assessments from BSC Agents, BSC Parties, the Transmission Company and the BSCCo. The responses to the consultation and impact assessments were discussed at a second meeting of the Group on 17 August 2005.

Draft legal text for the Proposed Modification has been developed and is included as Annex 1. The P190 Modification Group has reviewed this text and agreed that it delivers the solution developed by the Group.

1.3 Proposed Modification

The Proposed Modification considered by the P190 Modification Group suggests placing the obligation for the witnessing and sealing of Metering Equipment in the CVA Market upon CVA MOAs. In order to implement this process the Group suggested that each CVA MOA maintain a sealing pliers register. The purpose of this register would be to keep track of individual sealing pliers and to whom and when they have been issued. The Group acknowledged that CVA MOAs could use existing SVA pliers as long as the SVA sealing pliers register was available for inspection for audit purposes. However, before using any pliers on CVA Metering Systems the MOAs would have to notify ELEXON of the company specific, three letter, identifier of their sealing pliers, so that an audit trail can be established. It is proposed that the sealing requirements be based upon those described in Appendix 8 of the Meter Operation Code of Practice Agreement (MOCoPA) (see Reference 5) as are the current arrangements within the SVA market.

1.4 Issues Raised by the Proposed Modification

This section outlines the discussions of the Modification Group regarding the following issues raised by the Proposed Modification:

- Risks to Settlements Process;
- End to End Process;
- Sealing Pliers Register;
- Cost Benefit Analysis;
- Ofgem's Potential Consultation with the Health & Safety Executive; and
- Consideration of the St John's Wood Incident.

1.4.1 Risks to Settlements Process

The Group considered the potential risks to the Settlements process of allowing MOAs, instead of the CDCA, to carry out witnessing and sealing of Metering Systems associated with the CVA market.

The Group discussed two main issues at its first meeting:

- Would a conflict of interest arise if the MOA was an employee of a company that was directly owned by, or within a group of companies which was owned by, the company to which the Registrant belonged?; and
- Would Metering Equipment be as secure if sealed by a MOA?

With respect to the first issue raised, it was noted that Meters in the CVA market are effectively 'cash registers' for large volumes of traded energy and that there could be a potential conflict of interest if the MOA company was directly or indirectly owned by the company of the Registrant of the Metering System. The Group agreed that any implications needed to be looked at and suggested that the question of whether or not the electricity supply industry would be comfortable with such arrangements should also be raised in the Assessment Procedure consultation questions. The Group noted however that aspects of MOA performance were in any event the subject of regular surveillance visits by the TAA.

In response to the consultation question asked relating to this point (see question 3 of the Assessment Consultation Responses document in Annex 3), the majority of respondents agreed that robust enough contractual arrangements are in place and Registrants are unlikely to risk committing fraud.

One respondent suggested a change to the targeting strategy of TAA visits to achieve an optimal balance between Generator, Distributor and Supplier Registrants. The Group considered this suggestion, however it believed that the TAA currently target sites appropriately (i.e. according to Section L, Section 7.3, 'Site Selection' of the Code) and the approach would not need to change under P190.

On the second issue the Group concluded that Meters would actually be more secure if sealed by MOAs for the following reasons:

Sealing

Under current arrangements the CDCA cannot always guarantee to attend the site at the time scheduled by the MOA, even with 15 Working Days (WD) notice. As a result the MOA has to break Metering Equipment seals (as detailed in the Operational Emergencies procedure of BSCP06). Additionally, in situations where work on Metering Systems is carried out outside normal working hours or over several days the Metering Equipment can often be left unsealed until the CDCA returns to site to reseal it. If the MOA is allowed to seal Metering Equipment it can be done immediately after the work is completed, reducing the risk associated with the equipment remaining unsealed.

The Group also noted that sealing is designed to prevent accidental rather than malicious interference of Metering Systems and that, as sites on which CVA Metering exists are generally more secure than sites with SVA Metering, tampering by unauthorised personnel is much more unlikely.

Several issues relating to sealing were raised by one respondent during Impact Assessment which the Group considered. They were as follows:

- Under the existing process could MOAs use blank seals to seal Metering Equipment until the CDCA could return to site to reseal?;
- Is it appropriate for MOAs to fit seals for the first time on new CVA Metering Systems?;
- What would the process be when CVA MOAs change?; and
- What are the requirements regarding the replacement of CDCA-installed seals at changeover (Implementation) date?

The Group believed that the first suggestion would not better meet the Applicable BSC Objectives because the additional visit by the CDCA to replace the blank seals would (in the case of unmanned sites) still require a further visit by the MOA and hence be less efficient than the proposed solution.

On the second issue the Group felt that there would be little difference between the MOA sealing new Metering Equipment compared to them resealing after having worked on an existing Metering System. For new Metering Systems the MOA would be required to take initial Meter readings (instead of the

CDCA) and send these to the CDCA to enable them to carry out the first Meter Advance Reconciliation calculation.

The Group addressed the final two issues and concluded that there would be no value in changing existing CDCA seals after the P190 Implementation Date (there was no requirement to change old National Grid Company seals at NETA Go-Live) and that it would be up to the Registrant and their new MOA if and when they wanted to change an old MOAs seals after a change of Meter Operator. The fundamental BSC requirement is that Metering Equipment is appropriately sealed at all times. The Group felt that BSCP20 may need amending to include the requirement to hand over sealing records when there is a change of MOA.

Witnessing

The Group noted that although the CDCA's presence may prevent potential 'theft' and possibly highlight any errors, they are not necessarily technically appropriate to witness the work carried out by the MOA (the MOA would normally be more familiar with the whole Metering System arrangement). Also, it was felt that removing and replacing seals by the CDCA did not necessarily add value to the process of witnessing the MOA's work.

At its second meeting, the Group considered one respondent's concern (see question 1, Annex 3) that the level of assurance provided by the independent witnessing and sealing service would be adversely affected by mirroring the arrangements in the SVA market. The Group considered this and concluded that the current arrangements for the technical assurance of Metering Systems provided by the Technical Assurance Agent (TAA) would continue to provide a degree of assurance relative to sealing.

A further concern raised in this response was that the proposal identifies a failure in the existing service to meet the business requirements of the agents involved. The Group considered that the operational difficulties with the existing service do not currently provide the assurance that is intended to be delivered and that MOAs conducting this service will therefore provide the ongoing assurance required.

The respondent also expressed a concern that a single serious incident of CVA Meter 'abuse' could outweigh any savings in assurance measures. The Group discussed this issue and was unanimously of the opinion that Meter abuse is highly unlikely in the CVA market due in part to the location of the Metering Equipment and that existing processes such as daily Meter reading and Meter Advance Reconciliations (performed by the CDCA every three months) are likely to detect any such occurrences. It was also re-iterated that there are a number possibilities for Metering Systems to be adversely affected without the need to interfere with the seals directly.

The respondent also believed that there is no business case for the proposed change. However, the Group considered that the cost burden on MOAs would significantly reduce and any potential cost savings for a reduced service from the CDCA would also lead to stronger justification for such a change. These savings would automatically be passed back to Parties through the BSC charging arrangements.

The question of whether the costs of implementing the changes proposed by P190 will be much greater than any savings achieved from the CDCA will be considered later in section 1.4.4

1.4.2 End to End Process

At its first meeting the Group considered the end to end process envisaged as a result of the proposed change and suggested the following:

The MOA could reduce the notice period currently required (15 Working Days) by informing the CDCA of any proposed CVA Metering System work on the day of the visit. The MOA would then attend site, take initial Meter readings, break the seal(s), perform their work, re-make the seal(s), take final Meter readings and confirm both readings with remote reads taken by the CDCA. If the work was carried out

outside of the CDCA normal working hours then the initial and final Meter readings would be sent to the CDCA to be checked.

Having discussed the end to end process in more detail at the second meeting of the Group and bearing in mind comments from respondents to both the consultation questions and the impact assessments with regard to confirming Meter readings with the CDCA, the following process was envisaged:

Existing Process (Routine Work):

1. The MOA notifies the CDCA and Registrant of date, time and place where work is to be carried out on Metering System (at least 15 Working days prior to the work taking place).
2. If the Registrant wishes to attend the site when the work is taking place, the Registrant notifies the MOA.
3. The CDCA provides approval for the work to take place and arranges to attend the site.
4. CDCA takes 'before' meter readings, remotely interrogates Outstation(s) and then breaks seals.
5. CDCA notifies 'before' meter reads to the MOA and Registrant.
6. MOA carries out work.
7. On completion of work the MOA notifies the CDCA of the details of the work carried out.
8. CDCA takes after meter reads, remotely interrogates outstation, re-seals Metering Equipment, confirms seals applied and updates seal register.
9. CDCA sends details of work carried out and after meter reads to Registrant and MOA (as appropriate).

Suggested P190 Process:

1. The MOA notifies the CDCA (giving 5WD notice where possible) and Registrant (MOA and Registrant to decide notice period for routine work) of date, time and place where work is to be carried out on a Metering System.
2. If the Registrant wishes to attend the site when the work is taking place, the registrant notifies the MOA.
3. The CDCA provides approval for the work to take place (NB: this would not be required where work is taking place in an emergency).
4. Following approval from the CDCA, the MOA attends site, takes 'before' Meter readings and breaks seals.
5. MOA completes work, remakes seals and takes 'after' Meter readings. The MOA maintains a record of the sealing and ensures details are available for inspection.
6. MOA provides notification of work completed to the CDCA, including details of work carried out and 'before'/ 'after' Meter readings.

1.4.3 Sealing Pliers Register

Sealing pliers, and the dies associated with them, are used to seal Metering Equipment to prevent or at least detect unauthorised access to that equipment. Sealing is achieved by using the pliers to crimp a copper ferrule (the dies leave identification marks on it) onto the ends of a loop of wire rope that has been passed through a suitable hole in the Metering Equipment. Thus preventing the removal of equipment covers, etc. A sealing pliers register should list, among other things, the identification marks of a set of pliers' dies and the date and name of the person to whom they were issued.

The Group considered the question of who would issue sealing pliers and control the sealing pliers register.

Two solutions were proposed:

- The Group noted that in the SVA market all MOAs are signatories to the Meter Operation Code of Practice Agreement (MOCoPA)[2] on a voluntary basis. Under these arrangements MOAs are required to hold a sealing pliers register and the MOCoPA Registration Authority maintain an up to date list of Meter Operator identification letters for their seals. It was suggested that the CVA MOAs could sign up to MOCoPA and follow their practices but it was noted that some CVA MOAs have expressed reservations about signing up to such a large framework agreement for essentially the sealing arrangements.
- The other solution put forward was that CVA Meter Operators could purchase their own sealing pliers (and dies); issue them to their own operatives (including third party operatives) and keep a register of the pliers' numbers and which operatives they were registered to. ELEXON could then keep a list of the three letter identifier assigned to each MOA and receive notification of any changes. It was suggested that the specifications and processes by which this could be achieved could be similar to those arrangements as detailed in Appendix 8 and 9 of the MOCoPA.

The Group unanimously agreed that the second option was preferable and less onerous to small MOAs and that this should be put forward for consultation.

At its second meeting the Group considered the responses to the consultation question (see question 4, Appendix 3) on this issue. Most respondents agreed with the Group's suggestion and several respondents stressed that they did not want to sign up to MOCoPA. The Group agreed that confirmation should be sought from the Chairman of the MOCoPA to use the relevant sections from Appendix 8 and 9 of the MOCoPA document in BSCP06. This has been confirmed. In light of this discussion the Group also agreed that MOAs should keep records of lost or stolen pliers and that dies should not be transferred between Meter Operator companies.

The Group also considered an issue raised by one respondent (see question 2 and 7, Appendix 3) as to the use of SVA sealing pliers in the CVA Market. The Group concluded that the use of existing pliers from the SVA market, by CVA Authorised personnel, was acceptable provided that the register listing those sealing pliers was available for inspection. ELEXON would need to be notified of the 3 letter identifier for such pliers for audit purposes.

At the first meeting the Group discussed the question of what would happen if a 3rd party contractor used one MOA's registered sealing pliers on another MOA's Metering System. The Group noted then that the responsibility for Metering Systems rests with the Registrant and that it was the appointed MOA's responsibility to ensure that suitable processes were in place, in the bilateral agreements between themselves and the 3rd party contractor in question, to deal with such issues.

Responses to the consultation question asked (see question 6, Appendix 3) regarding the use of 3rd party contractors confirmed that respondents felt that sufficiently robust bi-lateral contracts are or should be in place between MOAs and 3rd party contractors and they could not foresee any problems with such arrangements.

1.4.4 Cost Benefit Analysis

The Group considered the costs associated with, and the benefits that could be derived from, allowing the MOAs to witness and seal CVA Metering Systems and identified the following benefits:

- There could be potential to renegotiate the CDCA contract to remove its obligation to provide the witnessing and sealing service and achieve a cost saving to Parties as a result.

[2] Appendix 8 of the MOCoPA specifies the requirements for sealing Metering Equipment and Appendix 9 details who keeps the list of the MOA sealing identification letters

- There would be a cost and time saving to MOAs as they would not have to wait for the CDCA to arrive before beginning work;
- The MOA would save on additional travel costs and time for a revisit should the CDCA be unable to meet with the MOA on the appointed day and have to reseal the Metering Equipment at some other time; and
- The resulting reduction in paperwork would be of benefit to both the CDCA and MOAs as the MOA would merely need to inform the CDCA and seek approval for the site visit .

At its second meeting the Group discussed potential savings to MOAs and developed two estimates. One for an MOA (National Grid Electricity Transmission (NGET)) that has to cover a large number of Metering Systems, most of which are unmanned sites, and another that covers a smaller population of Metering Systems (RWE npower) with few unmanned sites. NGET estimated a potential saving of 50 man days per annum (approximately £35,000) and RWE estimated a saving of 2 man days per annum (approximately £1000). The Group generally agreed that any increased costs to most MOAs, for sealing equipment and changes to systems and processes, would probably be recouped by these savings within about 2-3 years. It was also felt that the costs for implementing changes to BSCCo and CDCA procedures would be recovered by equivalent savings in the CDCA contract which is currently under review and that on balance there would be an overall benefit to the electricity industry.

1.4.5 Ofgem's Potential Consultation with the Health & Safety Executive

Following the Panel request for the Group to note that, should the Authority consider P190 to be a potential risk to health & safety considerations, the Authority may need to consult with the Health & Safety Executive and this could take up to 28 days. The Group noted this request and although recognising this issue was outside the scope of the BSC considered the safety implications of P190 and concluded that no risks were foreseen. The proposed Implementation Date was felt to provide sufficient time for the Health and Safety Executive to be consulted.

1.4.6 Consideration of the St John's Wood Incident

The Panel requested the Group to consider an operational issue which was identified in the November 2004 Trading Operation Report (Paper No. 87/002). See Reference 4, under 'Unusual Level of Transmission Losses'.

The incident which occurred at St John's Wood substation was the result of the connection of an additional circuit without regard to Settlement. This resulted in a large amount of energy being unallocated at Grid Supply Point (GSP) level and was first identified as a result of unusually high GSP Group Correction Factors. The Group considered this issue with respect to P190 and concluded that the changes proposed under P190 would make no material difference to the identification of such problems since this issue related to registration. Under the current arrangements the CDCA is required to provide a witnessing and sealing service which can only be initiated after the registration of the Metering Equipment. P190 proposes to change the service provider and will therefore have no bearing on any future issues of this nature.

1.4.7 Summary of Group's Conclusions

On the basis of the analysis above, the Group has concluded unanimously that:

- CVA Metering Systems would be more secure if sealed by the MOAs due to the practicalities of getting the CDCA to site after the completion of work on them;

- The MOA should inform the CDCA of work to be carried out, attend site, take initial meter readings, break the seal(s), carry out any necessary work, re-make the seal(s) and take final meter readings. The initial and final Meter readings would be sent to the CDCA;
- ELEXON should hold a copy of the company specific 3 letter identifiers of sealing pliers and the MOAs could control their own sealing plier's registers detailing to whom and when specific pliers were issued and returned, or lost or destroyed;
- P190 would give a net benefit to MOA/Parties and central administration, involving only process and documentation changes (see section 1.6);
- There are no foreseen health & safety risks associated with Modification Proposal P190; and
- The St John's Wood incident was a registration failure issue and the changes proposed by P190 would not have any bearing on future occurrences of this type.

1.5 Assessment of how the Proposed Modification will Better Facilitate the Applicable BSC Objectives

The Group unanimously agreed that P190 would better facilitate the achievement of Applicable BSC Objectives (b), (c) and (d) for the following reasons:

(b) 'The efficient, economic and co-ordinated operation of the GB transmission system'.

For the majority of CVA Metering work, NGET engineers are used on a 3rd party basis. These operatives are also required to perform other work on the Transmission System. This limited resource when used for Settlement Metering work will impact on the efficiency of the maintenance of the Transmission System. Additional site visits required by the CDCA for witnessing and sealing at unmanned sites will further draw on these limited resources.

(c) 'Promoting 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'.

- By allowing MOAs to witness and seal CVA Metering Systems instead of the CDCA, cost and time savings associated with less paperwork and no longer having to revisit sites with the CDCA can be passed on to Parties; and
- There would be no increased risk associated with allowing MOA to carry out their own witnessing and sealing and there would be corresponding decrease in risk associated with Metering Systems being unsealed whilst waiting for the CDCA to return to site.

(d) 'Promoting efficiency in the implementation and administration of the balancing and settlement arrangements'.

Any reduction in central costs associated with removing the requirement for the CDCA to provide a witnessing and sealing service for CVA Metering Systems would improve the efficiency of the central arrangements.

1.6 Alternative Modification

No Alternative Modifications were considered.

1.7 Governance and Regulatory Framework Assessment

The Authority has indicated that P190 may have to be looked at by the Health and Safety Executive before a determination can be made.

2 COSTS[3]

PROGRESSING MODIFICATION PROPOSAL

Meeting Cost	£ 1000
Legal/expert Cost	£ 0
Impact Assessment Cost	£ 3000
ELEXON Resource	28 Man days £ 6720

IMPLEMENTATION COSTS

		Stand Alone Cost	P190 Incremental Cost	Tolerance
Service Provider[4] Cost	Change Specific Cost	£6,102	£6,102	0%
	Release Cost	£0	-	-
	Incremental Release Cost	£0	£0	-
	Total Service Provider Cost	£6,102	£6,102	0%
Implementation Cost	External Audit	£0	£0	-
	Design Clarifications	£500	£500	+/-100%
	Additional Resource Costs	£0	£0	-
	Additional Testing and Audit Support Costs	£0		-
Total Demand Led Implementation Cost		£6,602	£6,602	+/- 8%

[3] Clarification of the meanings of the cost terms in this section can be found in annex 7 of this report
[4] BSC Agent and non-BSC Agent Service Provider and software Costs

ELEXON Implementation Resource Cost		155 Man days £34,100	105 Man days £23,100	+/- 5%
Total Implementation Cost		£40,702	£29,702	+/- 6%

ONGOING SUPPORT AND MAINTENANCE COSTS

	Stand Alone Cost	P190 Incremental Cost	Tolerance
Service Provider Operation Cost	£0 per annum	£0 per annum	-
Service Provider Maintenance Cost	£0 per annum	£0 per annum	-
ELEXON Operational Cost	£2k per annum	£2k per annum	+/-100%

3 RATIONALE FOR MODIFICATION GROUP'S RECOMMENDATIONS TO THE PANEL

The unanimous recommendation of the Group is that the Proposed Modification would better facilitate the achievement of Applicable BSC Objectives (b), (c) and (d), and should therefore be recommended for implementation.

The Group recommends an Implementation Date for the Proposed Modification of June 2006. More detail regarding the Group's recommendations is contained in Section 1.5, whilst the rationale for the proposed Implementation Date can be found in Section 9.

4 IMPACT ON BSC SYSTEMS AND PARTIES

4.1 BSCCo

An assessment has been undertaken in respect of BSCCo and the following areas have been identified as potentially being impacted by the Modification Proposal.

Area of Business	Potential Impact of Proposed Modification
BSCCo Procedures	**Implementation Impact** The CVA Programme would be required to draft and implement changes to the Code Subsidiary Documents listed in section 5.2 of this document. Corporate Assurance provides project assurance to the CVA programme and will therefore be impacted. Customer Services Management will have to remove a reference on an internal registration check list that the CDCA has completed its

	sealing obligations. **Operational Impact** The Customer Services Management team will be responsible for maintaining the central register of sealing pliers and agreeing new CVA MOA sealing pliers identifiers.

4.2 BSC Systems

A BSC Agent Impact Assessment of Proposed Modification P190 was commissioned by the Group. The full response can be found in Annex 5 of this document.

The CDCA currently performs a witnessing and sealing service for CVA Metering Systems and under the proposed new arrangements would need to make changes to the documents as listed in Annex 5. The projected cost for these changes is £6,102 and the estimated project duration is 4 weeks. BSCCo will expect to see a reduction in BSC Agent Contract payments to the CDCA although this may not be realised until their contract is renegotiated or renewed. The contract is currently in the process of being reviewed.

4.3 Parties and Party Agents

Party and Party Agent Impact Assessments of Proposed Modification P190 were commissioned by the Group. The full responses can be found in Annex 6 of this document.

The majority of respondents agreed that the impact to their systems and processes would be minimal. Many respondents could implement the changes within 3 months (sufficient time to order sealing pliers); however, one respondent stated that they would not be able to implement the changes required until June 2006 as they had other work scheduled. The Group considered this when suggesting a target Implementation Date of June 2006.

5 IMPACT ON CODE AND DOCUMENTATION

5.1 Balancing and Settlement Code

An assessment has been undertaken in respect of all Sections of the Code and the following Sections have been identified as potentially being impacted by the Modification Proposal.

The draft legal text giving effect to P190 may be found in Annex 1 of this document.

Section	Potential Impact of Proposed Modification
R: Collection and Aggregation of Meter Data from CVA Metering Systems	R 6.1.2 The Modification Proposal requires the removal of this paragraph which states that the CDCA is responsible for sealing CVA Metering Equipment. R 6 This heading will be amended to add the 'obligations of the Registrant' reference. R 6.1 The heading of paragraph 6.1 will be amended to remove 'witnessing and sealing'

	references. An additional paragraph 6.3 will be added to emphasise the Registrants 'obligation to procure from its MOAs the provision of a witnessing and sealing service'.
L: Metering	L 6.1.4 This paragraph provides the CDCA with rights of access for reasons including witnessing and sealing. References to witnessing and sealing will be removed. Paragraph 1.2.3 will also be amended to add witnessing and sealing as a principal function of the MOA.
J: Party Agents	J 1.2.2 Section J places an obligation on Parties who are Registrants of Metering Systems to use Party Agents to perform certain services on those systems. Additional wording will be added to this section to emphasise witnessing and sealing as one of those services.

5.2 Code Subsidiary Documents

An assessment has been undertaken in respect of all Code Subsidiary Documents and the following documents have been identified as potentially being impacted by the Modification Proposal.

Item	Potential Impact of Proposed Modification
BSCP06	This BSCP contains the processes to be followed by CDCA in relation to witnessing and sealing of Metering Equipment and therefore will be impacted.
BSCP15	This BSCP relates to the registration of BM Units and states that the CDCA 'shall confirm that the Metering System shall be sealed in accordance with BSCP06'. It will therefore be impacted.
BSCP20	This BSCP relates to the Registration of Metering Systems for Central Volume Allocation (CVA) and states that the CDCA will take initial meter readings and seal Metering Equipment. It will therefore be impacted.
BSCP25	This BSCP contains references to the CDCA confirming that Metering Equipment is sealed when registering Transmission System Boundary Points, Grid Supply Points, GSP Groups and Distribution System Connection Points and will be impacted.
BSCP27	This BSCP relates to the Technical Assurance of Half Hourly Systems for Settlements Purposes and will need to be amended to ensure that any updated copies of the BSCCo sealing pliers identifiers register is sent to the TAA.
BSCP38	This BSCP relates to Authorisations and defines the processes under which persons become authorised for the purpose of initiating Code activities by BSC Agents and/or BSCCo. The requirement in respect of P190 is that before requesting the CDCA to visit a site, for any reason, the requesting party must be authorised to request that activity. Authorisation category D requires the requesting party to be authorised before notifying the CDCA of 'Planned Work on Metering Systems & Breaking Seals'. P190 will remove the requirement for CDCA to break seals therefore authorisation level D needs to be amended to 'Planned Work on Metering Systems'.
BSCP68	This BSCP details the processes to be following when a Metering System is transferred from or to Central Meter Registration Service (CMRS). Some of the processes include actions taken by the CDCA in relation to witnessing and sealing and therefore will be impacted.

BSCP531 and Appendix 1 - SACR	This BSCP relates to Accreditation which also applies to new MOAs. This procedure will need to be amended so that the processes for new MOA accreditation will initiate the allocation of suitable sealing pliers dies identifiers.
CDCA SD	This Service Description contains the obligations to provide a witnessing and sealing service in relation to Metering Equipment registered by the Central Registration Agent (CRA) and therefore will be impacted.

5.3 Configurable Items

Item	Potential Impact of Proposed Modification
CDCA URS	This User Requirements Specification contains references to the witnessing and sealing process and will be impacted.
Logica IDD Part 1	This Interface Definition Document contains references to the CDCA capturing Meter readings during Meter sealing and unsealing and will therefore be impacted.

5.4 BSCCo Memorandum and Articles of Association

An assessment has been undertaken in respect of the BSCCo Memorandum and Articles of Association and no areas have been identified as potentially being impacted by the Modification Proposal.

5.5 Impact on Core Industry Documents and Supporting Arrangements

An assessment has been undertaken in respect of Core Industry Documents and no areas have been identified as potentially being impacted by the Modification Proposal.

6 SUMMARY OF CONSULTATIONS

An industry-wide consultation was issued on 3 August 2005 with responses due on 12 August 2005. Eight responses were received, representing 37 Parties and 3 Non-Parties.

Consultation question	Respondent agrees	Respondent disagrees	Opinion unexpressed
1. Do you believe Proposed Modification P190 better facilitates the achievement of the Applicable BSC Objectives?	7 (32,3)	1 (5,0)	0
2. Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?	1 (5,0)	7 (32,3)	0
3. Should Meter Operator Agents, who were directly or indirectly affiliated with the Registrant of the Metering Systems' company, be allowed to carry out witnessing and sealing work on that Metering System (bearing in mind they will still be subject to Technical Assurance visits)?	7 (32,3)	1 (5,0)	0
4. Do agree with the Group's suggestion that the requirements and processes for sealing should be	6	1	1

based on the Meter Operators Code of Practice Agreement?	(32,2)	(5,0)	(0,1)
5. Do agree with the Group's suggestion that ELEXON should hold a copy of the sealing pliers register as detailed in section 2.3 of the consultation document?	7 (37,2)	1 (0,1)	0
6. Do you think that using 3rd party contractors raises any issues that need to be considered by the P190 Modification Group as detailed in section 2.3 of the consultation document?	2 (5,1)	5 (32,1)	1 (0,1)
7. Does P190 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure?	6 (26,3)	2 (11,0)	0

6.1 Modification Group's Summary of the Consultation Responses

The full responses to this consultation may be found in Annex 3 of this document.

6.1.1 Applicable BSC Objectives

The majority of respondents believed that P190 would at least better facilitate the achievement of the Applicable BSC Objectives (c) and (d) by reducing costs to Parties and reducing central costs by removing the requirement for the CDCA to provide a witnessing and sealing service. Although the consultation document included the view of the Group that P190 would also better facilitate achievement of Applicable BSC Objective (b), one consultation respondent disagreed with this view and the remainder did not refer to it in their responses.

A minority believed that none of the Applicable BSC Objectives would be met as it would remove the independent assurance provided by the CDCA. As most CVA Meters measure much larger quantities of energy than most Supplier Volume Allocation (SVA) Meters, a single instance of Meter abuse could outweigh any savings in assurance measures, and the costs of implementing the changes will be greater than any savings achieved from the CDCA. In addition this respondent stated that the main defect appeared to be a failure of the existing service, therefore removal of the service was not an appropriate solution

The Group noted the comment on Meter abuse by one respondent but was still unanimous in its view that Registrants are unlikely to risk committing fraud and that abuse is not necessarily prevented by sealing. The Group also noted that Metering Systems will still be subject to Technical Assurance visits and the CDCA will continue to carry out quarterly (at least) Meter Advance Reconciliations (which require a visual inspection of the Metering System).

6.1.2 Potential Alternative Modifications

The majority of respondents believed that there were no potential Alternative Modifications as identified by the Modification Group. A minority believed that the problem stems from poor service by the CDCA and suggests the service be reviewed. Other comments related to the use of SVA sealing pliers on CVA Metering Systems and not confirming Meter readings with the CDCA.

The Group agreed that due the operational difficulties the current service does not provide the assurance intended and that by using MOAs to conduct this service the ongoing assurance required will be provided.

The Group also agreed that SVA sealing pliers could be used on CVA Metering Systems provided that the register was available for inspection and ELEXON was notified beforehand of the three letter identifier of those pliers. Additionally the Group believed that MOAs should not confirm Meter readings with the CDCA but should merely send them to the CDCA on completion of work.

6.1.3 Meter Operator Affiliation with Registrant

The majority of respondents believed that allowing MOAs who are affiliated with the Registrants of Metering Systems to work on those Systems would not present any risks to Settlements as Registrants are unlikely to commit fraud. A minority were not convinced that the TAA visits would provide the same level of assurance as the existing process.

The Group felt that existing processes such as daily Meter reads, Meter Advance Reconciliations and random TAA visits would continue to provide the necessary level of assurance in the CVA Market.

6.1.4 Sealing Requirements

The majority of respondents believed that the requirements and processes for sealing should be based on appendix 8 and 9 of the MOCoPA document. Several of these respondents stressing that they did not want to join MOCoPA as it would be too onerous a framework to join up to.

The Group noted the negative responses and stressed that the recommendation was to base the sealing requirements on the MOCoPA document (appendix 8 and 9) and not to oblige MOAs to join MOCoPA.

6.1.5 Sealing Register

The majority of respondents agreed that ELEXON should maintain a central sealing pliers register listing the 3 letter identifiers held by each CVA MOA. A minority of the respondents believed that the Central Registration Agent (CRA) should hold the register and that a form in BSCP38 should be used to track the sealing pliers registered to a person.

The Group rejected the proposed suggestion that the CRA should hold the sealing pliers register as it was their view that this would be more expensive than the recommendation to have ELEXON responsible for the register.

6.1.6 Third Party Contractors

The majority of respondents believed that the use of third party contractors should not raise any issues as bi-lateral contracts should be robust enough to ensure approved sealing pliers are used. A minority of respondents suggested that the Group consider the additional costs that using third party contractors may entail.

The Group considered the concern of one respondent on 3rd party costs and concluded that any increased costs associated with 3rd parties should be outweighed by the savings achieved by MOAs under the proposed solution.

6.1.7 Issues Identified During Consultation

The majority of respondents believed that some additional issues had not been considered and should be progressed by the Group. These were:

- More detail on how the sealing pliers arrangement would operate;
- Removing the burden from MOAs of getting the CDCA to do before and after readings;
- To allow the use of SVA sealing equipment on CVA Metering Systems;

- Consideration of all the concerns regarding assurance suggested by one respondent; and
- Ensuring that MOAs communicate with Registrants within sensible timescales for work that may impact Registration and Aggregation Rules.

The minority of respondents believed that no other issues should be progressed.

In response to the concerns highlighted by this question the Group discussed the sealing pliers arrangement and agreed that SVA sealing pliers could be used on CVA Metering Systems. The Group confirmed that a process be put in place so that existing SVA pliers' and any new CVA pliers' company identification marks would be checked for uniqueness and a record of them held by ELEXON. Each MOA using such pliers on any CVA Metering System would be required to maintain a register, which would be available for inspection, detailing:

- *To whom each individual sealing pliers dies were issued to;*
- *What date they were issued; and*
- *What date they were returned or destroyed;*

These registers would then be audited by the BSC Auditor at normal intervals or as required.

The Group also agreed that MOAs should not have the obligation to ask the CDCA to do before and after Meter readings.

The consensus of the Group was that it was a matter between MOAs and Registrants as to how much notification for routine work was given and that this notification did not have to be via a BSCP form.

6.1.8 Further Comments

No additional comments were made.

7 SUMMARY OF TRANSMISSION COMPANY ANALYSIS

7.1 Analysis

The Transmission Company does not believe that P190 would have any impact on its ability to discharge its obligations efficiently under the Transmission Licence, or on its ability to operate an efficient, economical and co-ordinated Transmission System. Further, the Transmission Company does not anticipate any impact on its computer systems and processes or any costs as a result of implementing P190 and any consequential change to Core Industry Documents.

The Transmission Company supported the view of the Modification Group that the Proposed Modification would better facilitate the achievement of Applicable BSC Objectives (b), (c) and (d) and has confirmed the estimated figure of 50 man-days savings per year envisaged as a result of the Proposed Modification being accepted.

The full response of the Transmission Company can be found in Annex 4.

7.2 Comments and Views of the Modification Group

The Group noted the views of the Transmission Company.

8 SUMMARY OF EXTERNAL ADVICE

None commissioned.

9 IMPLEMENTATION APPROACH

The recommended Implementation Dates for Proposed Modification P190 are consistent with the CVA Release strategy and are as follows:

- 28 June 2006, should an Authority decision be received on or before 1 March 2006; or
- 8 November 2006, should an Authority decision be received after 1 March 2006, but on or before 12 July 2006.

If P190 is approved MOAs would be obliged to witness and seal CVA Metering Equipment from the Implementation Date. There would be no requirement for the CVA MOAs to replace the CDCA seals immediately. This could be done when work on the Metering Equipment is required.

10 DOCUMENT CONTROL

10.1 Authorities

Version	Date	Author	Reviewer	Change Reference
0.1	22/08/05	ELEXON Change Delivery	ELEXON Change Delivery	Review
0.2	26/08/05	ELEXON Change Delivery	P190 Modification Group	Review
0.3	26/08/05	ELEXON Change Delivery	ELEXON Change Delivery	Technical Review
0.4	01/09/05	ELEXON Change Delivery	ELEXON Change Delivery	Quality Review
1.0	02/09/05	ELEXON Change Delivery		For Panel Decision

10.2 References

Ref	Document	Owner	Issue date	Version
1	Modification Proposal P190 'Removal of the obligation on the CDCA to provide a witnessing and sealing service in respect of all Metering Equipment associated with CVA Metering Systems' http://www.elexon.co.uk/documents/modifications/190/P190.pdf	BSCCo	02/06/05	1.0
2	P190 Initial Written Assessment http://www.elexon.co.uk/documents/BSC_Panel_and_Panel_Committees/BSC_Panel_Meetings_2005_-_094_-_Papers/94_008.pdf	BSCCo	07/07/05	1.0
3	P190 Assessment Consultation http://www.elexon.co.uk/documents/Consultations/P190_Assessment_Consultation/P190AC1.0.pdf	BSCCo	02/08/05	1.0
4	Trading Operation Report – November 2004 Paper 87/002 http://www.elexon.co.uk/documents/BSC_Panel_and_Panel_Committees/BSC_Panel_Meetings_2004_-_087_-_Papers/87_002.pdf	BSCCo	November 2004	1.0
5	Meter Operation Code of Practice Agreement http://www.mocopa.org.uk/agreement.html	Parties to MOCoPA	30/11/04	2.1

ANNEX 1 DRAFT LEGAL TEXT

The draft legal text which would give effect to P190 can be found in Attachment 1 to this document.

ANNEX 2 MODIFICATION GROUP DETAILS

Member	Organisation	20/07/05	17/08/05
Tom Bowcutt	ELEXON (Chairman)	✓	✓
Mike Smith	ELEXON (Lead Analyst)	✓	✓
Melanie Henry	ELEXON (Lawyer)	✓	✓
Lorna Short	RWE (Proposer)	✓	✓
Man Kwong Liu	SAIC	✓	✓
David Lane	Clearenergy	✓	✓
Anthony Steele	Siemens	✓	
Martin Skinner	NGT	✓	✓

Attendee	Organisation	20/07	17/08
Richard Hall	Ofgem	✓	✓

P190 Modification Group Terms of Reference

Annex for Modification Proposal P190

Modification Proposal P190 will be considered by the P190 Modification Group in accordance with the SSMG Terms of Reference and the Annex attached.

P190 - 'Removal of the obligation on the CDCA to provide a witnessing and sealing service in respect of all Metering Equipment associated with CVA Metering Systems'

ASSESSMENT PROCEDURE

The Modification Group will carry out an Assessment Procedure in respect of Modification Proposal P190 pursuant to section F2.6 of the Balancing and Settlement Code.

The Modification Group will produce an Assessment Report for consideration at the BSC Panel Meeting on 8 September 2005.

The Modification Group shall consider and/or include in the Assessment Report as appropriate:

- Risks to the Settlements Process;
- Sealing Pliers Register;
- Cost Benefit Analysis;
- Ofgem's Potential Consultation with the Health & Safety Executive; and

- Consideration of the St John's Wood Incident.

ANNEX 3 ASSESSMENT CONSULTATION RESPONSES

The full responses to the Assessment Consultation may be found in Attachment 2 to this document.

ANNEX 4 TRANSMISSION COMPANY ANALYSIS

P190 TRANSMISSION COMPANY ANALYSIS AND IMPACT ASSESSMENT – RESPONSE PRO-FORMA

In accordance with paragraph F 2.8 of the Code, please respond to the following questions concerning P190 (including the rationale for each response):

Q	Question	Response
1	Please outline any impact of the Proposed Modification (and, if applicable, any Alternative Modification) on the ability of the Transmission Company to discharge its obligations efficiently under the Transmission Licence and on its ability to operate an efficient, economical and co-ordinated transmission system.	We do not believe that the implementation of this proposed modification would have any impact on our ability to discharge our obligations under the Transmission Licence.
2	Please outline the views and rationale of the Transmission Company as to whether the Proposed Modification (and, if applicable, any Alternative Modification) would better facilitate achievement of the Applicable BSC Objectives.	We support the initial views expressed by the Mod Group that P190 would better facilitate the achievement of Applicable BSC Objectives (b), (c) and (d).
3	Please outline the impact of the Proposed Modification (and, if applicable, any Alternative Modification) on the computer systems and processes of the Transmission Company, including details of any changes to such systems and processes that would be required as a result of the implementation of the Proposed Modification (and, if applicable, any Alternative Modification	No impact has been identified on the computer systems and process of the Transmission Company as a result of the implementation of this proposed modification.
4	Please outline any potential issues relating to the security of supply arising from the Proposed Modification (and, if applicable, any Alternative Modification).	No issues have been identified.
5	Please provide an estimate of the development, capital and operating costs (broken down in reasonable detail) which the Transmission Company anticipates that it would incur in, and as a result of, implementing the Proposed Modification (and, if applicable, any Alternative Modification).	No costs have been identified.
6	Please provide details of any consequential changes to Core Industry Documents and/or the System Operator Transmission Owner Code that would be required as a result of the implementation of the Proposed Modification (and, if applicable, any Alternative Modification).	No consequential changes have been identified.
7	Any other comments on the Proposed Modification (and Alternative Modification if applicable).	No further comments.

Please send your response by **5pm** on **Friday 12 August 2005** to modifications@elexon.co.uk. Any queries regarding the analysis should be addressed to Mike Smith on x4033 or email mike.smith@elexon.co.uk

NETA Change Form

Title		**Version No.**
Removal of the obligation on the CDCA to provide a witnessing and sealing service in respect of all Metering Equipment associated with CVA Metering Systems		A.1.1.1 0.1
		A.1.1.2 **LogicaCMG Reference**
		A.1.1.3 ICR683
ELEXON Reference	**Date CP Received**	**Date IA Issued**
P190	3 Aug 2005	12 Aug 2005
LogicaCMG Contact Name	**Baseline for Impact Assessment**	
	P190 Assessment Consultation v1.0, dated 02/08/05	

Price Breakdown		
Item description	**Remarks**	**Price (ex VAT)**
Change Specific		£6,102
Incremental Release Costs		£0
Fixed Release Costs		£0

Total Price (ex VAT)	**£6,102**

Price Tolerance	0%
Justification for Price Tolerance	
N/A	

Project Duration	4 weeks
Cut Off Date for Inclusion in Specified Release (if applicable)	

N/A

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 ELEXON assurance 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

The validity period for this quote is 30 days and the offer is based on the following payment schedule:

- LogicaCMG will invoice in full for this change on deployment or within one month of the change being ready for deployment

Authorised Signature	**Date Signed**

Requirements and Solution

Brief Summary of Change

P190 proposes to remove the obligation on the CDCA to provide a Witnessing and Sealing Service in respect of CVA Metering Systems. P190 proposes to place the obligation to provide a Witnessing and Sealing Service in respect of all Metering Equipment associated with CVA Metering Systems on the relevant CVA MOA (Meter Operator Agent).

LogicaCMG will no longer be required to provide the "field" Service, that is, a CDCA Representative attending site to break seals, and to reseal.

LogicaCMG's Proposed Solution

LogicaCMG will no longer be required to provide the 'field' service whereby a CDCA representative attends the metering site to break seals and replace seals.

Removal of this obligation will involve changes to documentation as described below:

IDD Part 1

- Section 2.2.11.2 Activities
- Section 3.1.2 CDCA Interfaces
- Section 3.2.1 Interfaces by Corresponding Parties
- Section 5.33 Meter Data from Meter Sealing

IDD Part 2

- Section 9.7 Site Visit Inspection Report

CDCA URS

- Section 1 Management Summary
- Section 4.1 Summery of Business Requirements
- Section 4.5 Requirement Summary
- Section 5.16 CDCA F016 Witnessing and Sealing
- Section 6.1 Interface Requirements Overview
- Section 6.13 Site Visit Inspection Reports
- Section 6.18 Meter Data From Meter Sealing
- Appendix B Requirements Compliance Matrix

CDCA MSS

- Section 2.2 Business Objectives
- Section 3.10 Witness & Sealing

CDCA OSM

- Section 2.1 CDCA Business Requirement
- Section 7 NETA_OP_04 CDCA site visit activities procedure
- Section 9.7 Site Visit Inspection Report

CDCA LWIs

- Amendments as required

The following documents will also be reviewed by LogicaCMG:

- BSCP06
- BSCP15
- BSCP20
- BSCP68
- PSL180
- CDCA Service Description

Deviation from ELEXON's Solution / Requirements

None

Operational Solution and Impact

None

Testing Strategy

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

Other:

Validated Assumptions

None

Outstanding Issues

None

Changes to Service

Services Impacted

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

Nature of Documentation Changes

See 'LogicaCMG's Proposed Solution'

Nature / Size of System Changes

Documentation only.

Deployment Issues, e.g. Outage Requirements:	N/A
Impact on Service Levels:	N/A
Impact on System Performance:	N/A
Responsibilities of ELEXON	
ELEXON updated BSCPs and Service Descriptions will be made available to LogicaCMG for review.	
Acceptance Criteria	
N/A	
Any Other Information	
None	
A.1.2 Attachments	
P190 Price Presentation v0.1	

ANNEX 6 PARTY AND PARTY AGENT IMPACT ASSESSMENTS

Responses for CPC00519

Detailed Level Impact Assessment of P190

Removal of the obligation on the CDCA to provide a witnessing and sealing service in respect of all Metering Equipment associated with CVA Metering System

Carried out by	Comments
Chris Horne *E.ON UK, Power Technology (PTCMOA)*	**What impact, if any, would the Proposed Modifications have on your organisation?** The proposals would, in general, make our operations as a CVA MOA, more straightforward. It is important that the revised process developed in BSCP06 is reduced to the stages which truly add value to the process. For example, meter readings. The consultation process (Section 2.2) implies that the MOA will be required to take before and after meter readings and compare these with the CDCA readings. For CVA systems it is common to install separate meters and data collectors. Currently the person breaking the seals (the MOA or the Site Visit Agent (SVA)) reads the meters. It is also the meters , not the outstations, which are read by the Site Visit Agents for the MAR process. Currently the outstations dials are not read on site – rather these are called in by the CDCA. The meter and outstation dials do not necessarily agree, and there is no process as far as we are aware of reconciling the meter / outstation readings / advances around the site work carried out by the MOA. If it is proposed that the MOA take meter and outstation readings around the site work and agree these with the CDCA then this represents a significant increase in the overhead which the MOA would have to cover We would suggest that the MOA should take before and after meter readings and submit these to the CDCA on completion of the work. The Universal Meter Reading sheet could do with a redesign at this point! **What implementation timescale would you require to make the changes associated with the Proposed Modifications?;** and Approximately 3 months in order to obtain sealing pliers and seals. **If these Modifications are not applicable to your organisation, please indicate why (e.g. proposed changes do not apply to Party Agents)'.** Not Applicable **Any other comments:** We strongly believe that the register of sealing pliers should be held by the CRA, not by the MOA. Under BSCP 38 it is necessary to authorise anyone who will break seals. It would be reasonably straightforward to add an extra line to BSCP 38/5.3 to record the reference of the sealing pliers issued to this person. This way there is one register of authorised seals for all CVA operatives, which could readily be made available to the TAA, Elexon or anyone else who has reason to access it.

Dave Morton EDF Energy, Supplier Response	**1. What impact, if any, would the Proposed Modifications have on your organisation?** Process amendments and possible new process for sealing plies register. **2. What implementation timescale would you require to make the changes associated with the Proposed Modifications?;** With other work currently scheduled we would not want to implement this change until June 2006.
Graham Smith Western Power Distribution	**1. What impact, if any, would the Proposed Modifications have on your organisation?** There is a minimal impact on us. Metering staff already have sealing pliers and seals. There are no systems changes. We would need to make a small process change to ensure CDCA is contacted at the time, probably by the field Staff, rather than office staff currently (raising paperwork in advance). **2. What implementation timescale would you require to make the changes associated with the Proposed Modifications and** A few weeks notice would be sufficient. **3. Any other comments:** We fully support this change
Sue Macklin Southern Electric Power Distribution; Keadby Generation Ltd; SSE Energy Supply Ltd; SSE Generation Ltd; and Scottish Hydro-Electric Power Distribution Ltd; Medway Power Ltd;	**1. What impact, if any, would the Proposed Modifications have on your organisation?** Providing MOA's continue to give 15 working days notice (or a reasonable period), to the Registrant, of intention to carry out meter work there would be no impact on our systems or processes. However, to prevent ongoing operational impact we would like to see a minimum period specified for non-emergency work 2. **What implementation timescale would you require to make the changes associated with the Proposed Modifications?** None required **3. Any other comments:** No

Louise Allport British Energy Power & Energy Trading Ltd; British Energy Generation Ltd; Eggborough Power Ltd, British Energy Generation (UK) Ltd, British Energy Direct Ltd (submitted by Martin Mate in her absence)	Any other comments Numbering corresponding with assessment document: 2.1 Risks to the Settlement Process Third Party witnessing of work and sealing of CVA systems was introduced by the ESI at vesting to minimise the risk of interference and to identify any instances of unauthorised access to settlement metering. If the ESI considered such protection to be necessary at that time, what has happened in the meantime to justify a relaxation? The suggestion that TAA surveillance of MOA performance would address any shortcomings is very misleading. In practice "regular" TAA visits can be very infrequent, and given that they are always preceded by advance notice, there would always be time for MOAs to replace any missing seals. It is acknowledged that up to the present time CDCA have not always been available to replace seals and that CVA settlement metering can remained unsealed for a week or two. However Proposal P190 is not the only way of addressing this. Future instances could be minimised/eliminated either by improving CDCA availability or by allowing MOAs to fit temporary (blank?) seals until CDCA are able to re-seal properly. It is not at all clear why the Group consider the seals are designed to prevent accidental rather than malicious interference. This is not necessarily the case. Unscrupulous parties (or perhaps those in severe financial difficulties) may be tempted to use the proposed relaxation in sealing arrangements to manipulate settlement metering data to their advantage. 2.3 Sealing Pliers Register We agree that CVA MOAs should not be obliged to sign onto the MOCoPA just for the sealing pliers arrangements. If the proposal is implemented, the maintenance by Elexon of a register which only lists plier identifiers held by each MOA would not be enough. Unless the register covers the plier identifiers held by each MOA operative, every 3rd party operative providing support for 2 or more MOAs would also require 2 or more pliers. These would have to be selected according to the MOA for which work was being carried out. This would be an unnecessary additional burden open to mistakes. Prior to implementation, the practical issues related to sealing plier arrangements would require clarification : • How many suppliers of sealing pliers and dies are there? • Does each supplier maintain a register to ensure all dies sold are unique? • What arrangements ensure there is no duplication of die IDs between suppliers? • Would the Elexon register flag-up any such duplications? • Who supplies the seal wire? • Are there variations in length, grade of wire and in types of seal and if so, which ones are used? • Is the sale of seal wire controlled in any way? 2.4 Cost Benefit Analysis Potential MOA cost savings from not having to wait occasionally for CDCA (on the limited number of visits when it might occur)

- Who supplies the seal wire?
- Are there variations in length, grade of wire and in types of seal and if so, which ones are used?
- Is the sale of seal wire controlled in any way?

2.4 Cost Benefit Analysis

Potential MOA cost savings from not having to wait occasionally for CDCA (on the limited number of visits when it might occur) would be more than offset by the cost of additional time and resource for the MOA to carry out CDCA tasks on every visit. There is no requirement on any permanently manned sites for revisits by MOAs to attend later visits by CDCA. Thus there would be no cost saving arising from this. Since the Impact Assessment does not detail which BSCP forms would be retained and which would be deleted, it is not clear whether there would be any reduction in paperwork. In our view the documentation would probably be much the same, but the MOA would process the majority rather than CDCA. Again there would be no cost saving.

Sealing costs should represent a tiny proportion of BSC Party charges. Savings, if any, could be more than offset by higher MOA charges.

3 Initial Conclusion

As already indicated above it is our view, contrary to the Group's conclusions, that if P190 is implemented there would be a significant degradation of the protection offered by the current sealing arrangements with limited cost savings to BSC parties and MOAs. We do not believe P190 would better facilitate the achievement of BSC Objectives (b) and (c) and the case for (d) requires proper cost benefit analysis.

4 Impacts

As shown all too clearly in Sections 4.1 - 4.7 of the Assessment Consultation, the implementation of P190 would include the requirement for changes to a large number BSC, BSCP and Code of Practice documents. This would be a costly and time consuming undertaking. Any perceived benefits from the proposed changes should be weighed against this.

Additional General Comments

D. It is clear from the Impact assessment that the Group did not consider the appropriateness or otherwise of MOAs fitting seals for the first time on a new CVA metering system. If P190 is implemented, procedures in such circumstances should require CDCAs presence (or TAA inspections of the new sealing arrangements).

E. It is also clear from the Impact assessment that the Group did not consider the post P190 implementation process which would be necessary whenever CVA metering system MOAs change. This would need to be clarified.

	F. If P190 is accepted by the Panel, sufficient time would have to be allowed for implementation, including not only the updating of all documentation and contractual arrangements, but also the acquisition of the necessary tools and materials by MOAs and the setting-up of the Elexon register. A changeover date would need to be set and any requirements regarding replacement of CDCA-installed seals would need to be specified.
John W Russell SAIC Ltd.	1. **What impact, if any, would the Proposed Modifications have on your organisation?** - The Proposed Modifications would result in procedural changes for the ScottishPower group. 2. **What implementation timescale would you require to make the changes associated with the Proposed Modifications? and** - ScottishPower would require 10 working days to implement these procedural changes 3. **If these Modifications are not applicable to your organisation, please indicate why (e.g. proposed changes do not apply to Party Agents)'.** - Not applicable as they will impact ScottishPower. **4. Any other comments:** - ScottishPower supports this change as it will remove the requirement to arrange for two visits by the CDCA Site Visit Agent; thereby increasing efficiency, controllability and time spent on this function by the MOA. Further savings and greater efficiency can be achieved, by utilising the existing sealing equipment from the SVA market (where appropriate) thereby saving on the purchasing of new or specific pliers for use in the CVA market. The existing control of sealing pliers and dies within the SVA market can be used as a basis for the introduction to the CVA market; all sealing pliers and dies are unique to each company and Field Engineer. This will harmonise the CVA sealing arrangements with the SVA sealing arrangements.

ANNEX 7 CLARIFICATION OF COSTS

There are several different types of costs relating to the implementation of Modification Proposals. ELEXON implements the majority of Approved Modifications under its CVA or SVA Release Programmes. These Programmes incur a base overhead which is broadly stable whatever the content of the Release. On top of this each Approved Modification incurs an incremental implementation cost. The table of estimated costs of implementing the Proposed/Alternative Modification given in section 2 of this report has three columns:

- **Stand Alone Cost** – the cost of delivering the Modification as a stand alone project outside of a CVA or SVA Release, or the cost of a CVA or SVA Release with no other changes included in the Release scope. This is the estimated maximum cost that could be attributed to any one Modification implementation.

- **Incremental Cost** - the cost of adding that Modification Proposal to the scope of an existing release. This cost would also represent the potential saving if the Modification Proposal was to be removed from the scope of a release before development had started.

- **Tolerance** – the predicted limits of how certain the cost estimates included in the template are. The tolerance will be dependent on the complexity and certainty of the solution and the time allowed for the provision of an impact assessment by the Service Provider(s).

The cost breakdowns are shown below:

PROGRESSING MODIFICATION PROPOSAL	
Meeting Cost	This is the cost associated with holding Modification Group meetings and is based on an estimate of the travel expenses claimed by Modification Group members.
Legal/expert Cost	This is the cost associated with obtaining external expert advice, usually legal advice.
Impact Assessment Cost	Service Provider Impact Assessments are covered by a pre-determined monthly contractual charge. Therefore the cost included in this report is an estimate based on the level of impact assessment that the modification is expected to require and may not reflect the actual cost attributed to the modification, which will be based on a percentage of the contractual impact assessment costs for each month that it is assessed.
ELEXON Resource	This is the ELEXON Resource requirement to progress the Modification Proposal through the Modification Procedures. This is estimated using a standard formula based on the length of the Modification Procedure.

SERVICE PROVIDER[5] COSTS	
Change Specific Cost	Cost of the Service Provider(s) Systems development and other activities

[5] A Service Provider can be a BSC Agent or a non-BSC Agent, which provides a service or software as part of the BSC and BSC Agent Systems. The Service Provider cost will be the sum of the costs for all Service Providers who are impacted by the release.

	relating specifically to the Modification Proposal.
Release Cost	Fixed cost associated with the development of the Service Provider(s) Systems as part of a release. This cost encompasses all the activities that would be undertaken regardless of the number or complexity of changes in the scope of a release. These activities include Project Management, the production of testing and deployment specifications and reports and various other standard release activities.
Incremental Release Cost	Additional costs on top of base Release Costs for delivering the specific Modification Proposal. For instance, the production of a Test Strategy and Test Report requires a certain amount of effort regardless of the number of changes to be tested, but the addition of a specific Modification Proposal may increase the scope of the Test Strategy and Test Report and hence incur additional costs.

IMPLEMENTATION COSTS	
External Audit	Allowance for the cost of external audit of the delivery of the Modification Proposal. For Modification Proposals, which impact CVA BSC Agent software, this is typically estimated as 8% of the total Service Provider Costs, with a tolerance of +/- 20%. ELEXON does, however, have internal audit capabilities and if the software change is low risk and low complexity it may be decided that it is more appropriate to utilise this internal resource. This would result in zero demand led audit costs offset by an increase in ELEXON Operational costs for that specific change. At present the SVA Programme does not use an external auditor, so there is no External Audit cost associated with an SVA BSC Systems Release.
Design Clarifications	Allowance to cover the potential cost of making any amendments to the proposed solution to clarify any ambiguities identified during implementation. This is typically estimated as 2.5% of the total Service Provider Costs, with a tolerance of +/- 100%.
Additional Resource Costs	Any short-term resource requirements in addition to the ELEXON resource available. For CVA BSC Systems Releases, this is typically only necessary if the proposed solution for a Modification Proposal would require more extensive testing than normal, procurements or 'in-house' development. For SVA BSC Systems Releases, this will include the management and operation of the Acceptance Testing and the associated testing environment. This cost relates solely to the short-term employment of contract staff to assist in the implementation of the release.
Additional Testing and Audit Support Costs	Allowance for external assistance from the Service Provider(s) with testing, test environment and audit activities. Includes such activities as the creation of test environments and the operation of the Participant Test Service (PTS). For CVA BSC Systems Releases involving NETA Central Service Agent software changes, this is typically estimated as £40k per release with at tolerance of +/-25%. For SVA BSC Systems Releases this

	is estimated on a Modification Proposal basis.

TOTAL DEMAND LED IMPLEMENTATION COSTS
This is calculated as the sum of the total Service Provider(s) Cost and the total Implementation Cost. The tolerance associated with the Total Demand Led Implementation Cost is calculated as the weighted average of the individual Service Provider(s) Costs and Implementation Costs tolerances. This tolerance will be rounded to the nearest 5%.

ELEXON IMPLEMENTATION RESOURCE COSTS
Cost quoted in man days multiplied by project average daily rate, which represents the resources utilised by ELEXON in supporting the implementation of the release. This cost is typically funded from the "ELEXON Operational" budget using existing staff, but there may be instances where the total resources required to deliver a release exceeds the level of available ELEXON resources, in which case additional Demand Led Resources will be required. The ELEXON Implementation Resource Cost will typically have a tolerance of +/- 5% associated with it.

ONGOING SUPPORT AND MAINTENANCE COSTS	
ELEXON Operational Cost	Cost, in man days per annum multiplied by project average daily rate, of operating the revised systems and processes post implementation.
Service Provider Operation Cost	Cost in £ per annum payable to the Service Provider(s) to cover staffing requirements, software or hardware licensing fees, communications charges or any hardware storage fees associated with the ongoing operation of the revised systems and processes.
Service Provider Maintenance Cost	Cost quoted in £ per annum payable to the Service Provider(s) to cover the maintenance of the amended BSC Systems. Note that from 1 January 2005, Service Provider Maintenance costs will be covered by a fixed contractual charge and so any Modification Proposals implemented after this date will not incur an ongoing Service Provider Maintenance cost.