

**Responses from P189 Draft Report Consultation**

**Consultation Issued 13 June 2005**

**Representations were received from the following parties**

<b>No</b>	<b>Company</b>	<b>File number</b>	<b>No BSC Parties Represented</b>	<b>No Non-Parties Represented</b>
1.	EDF Energy	P189_dMR_001	9	0
2.	E.ON UK	P189_dMR_002	15	0
3.	EDF Trading	P189_dMR_003	2	0
4.	British Gas Trading	P189_dMR_004	1	0
5.	British Energy	P189_dMR_005	5	0
6.	Scottish and Southern	P189_dMR_006	5	0

## P189 REPORT PHASE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

<b>Respondent:</b>	Stephen Moore (EDF Energy)
<b>No. of Parties Represented</b>	9
<b>Parties Represented</b>	EDF Energy Networks (EPN) plc; EDF Energy Networks (LPN) plc EDF Energy Networks (SPN) plc; EDF Energy (Sutton Bridge Power) EDF Energy (Cottam Power) Ltd; EDF Energy (West Burton Power) Ltd; EDF Energy plc; London Energy plc; Seeboard Energy Limited
<b>No. of Non Parties Represented</b>	0
<b>Non Parties represented</b>	N/A
<b>Role of Respondent</b>	Supplier/Generator/Trader

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on P189 and the provisional recommendation to the Authority contained in the draft Modification Report that P189 <b>should</b> be made? Please give rationale.	Yes	P174 was approved because it better facilitated objective c), in Ofgem's opinion allowing eligible BM Units to net off trading charges enhanced competition. As P189 is a clarification of P174 the same rationale should apply; P189 better facilitates objective c) than the current baseline by allowing IC BM Units to form trading units.
2.	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	
3.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P189? Please give rationale.	Yes	As this is in effect a minor code change there is no reason to delay the implementation date unduly.
4.	Are there any further comments on P189 that you wish to make?	Yes / No	

Please send your responses by **17:00 on Friday 24 June 2005** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email 'P189 Report Phase Consultation'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to David White on 020 7380 4374, email address [david.white@elexon.co.uk](mailto:david.white@elexon.co.uk).

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<b>Respondent:</b>	E.ON UK plc
<b>No. of Parties Represented</b>	15
<b>Parties Represented</b>	E.ON UK plc, Powergen Retail Limited, Cottam Development Centre Limited, Enizade Ltd, E.ON UK Drakelow Limited, E.ON UK Ironbridge Limited, E.ON UK High Marnham Limited, Midlands Gas Limited, Western Gas Limited, TXU Europe (AHG) Limited, TXU Europe (AH Online) Limited, Citigen (London) Limited, Severn Trent Energy Limited (known as TXU Europe (AHST) Limited), TXU Europe (AHGD) Limited and Ownlabel Energy.
<b>No. of Non Parties Represented</b>	-
<b>Non Parties represented</b>	-
<b>Role of Respondent</b>	Supplier, Generator, Trader, Consolidator & Exemptable Generator

Q	Question	Response Error! Bookmark not defined.	Rationale
1.	Do you agree with the Panel's views on P189 and the provisional recommendation to the Authority contained in the draft Modification Report that P189 <b>should</b> be made? Please give rationale.	Yes	
2.	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	
3.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P189? Please give rationale.	Yes	
4.	Are there any further comments on P189 that you wish to make?	No	

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<b>Respondent:</b>	<i>Steve Drummond</i>
<b>No. of Parties Represented</b>	2
<b>Parties Represented</b>	<i>EDF Trading Ltd and EDF (Generation)</i>
<b>No. of Non Parties Represented</b>	None
<b>Non Parties represented</b>	<i>N/A</i>
<b>Role of Respondent</b>	<i>Trader / Generator</i>

Q	Question	Response Error! Bookmark not defined.	Rationale
1.	Do you agree with the Panel's views on P189 and the provisional recommendation to the Authority contained in the draft Modification Report that P189 <b>should</b> be made? Please give rationale.	Yes	The mod is trying to correct an unfortunate and unintentional defect that has become apparent within P174. It is a minor error with significant implications and as such it should be recommended for approval. We agree with the Panel's recommendation.
2.	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	The inclusion of Boundary Points at the same site will deliver what was intended by P174.
3.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P189? Please give rationale.	Yes	Should it be approved, it would be more efficient if it was implemented on 2 <sup>nd</sup> November 2005 with P174, rather than any later date.
4.	Are there any further comments on P189 that you wish to make?	No	

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Our Ref.  
Your Ref.  
24 June 2005

Dear Sirs,

**Re: Modification Proposal P189 – Clarification to fulfil the intent of P174**

Thank you for the opportunity of responding to this draft modification report considering Modification Proposal P189. British Gas Trading (BGT) agrees with the Panel's provisional recommendation that the Modification Proposal should be approved.

Whilst BGT did not support P174 it has been approved by Ofgem and this modification is merely delivering the intent of P174. On that basis BGT concur that the proposal better facilitates Applicable BSC Objective (c).

BGT agrees with the proposed implementation date, which is consistent with the implementation date for P174.

If you have any questions regarding this response please contact me 01753 431137.

Yours faithfully

Mark Manley  
Contract Manager

## P189 REPORT PHASE CONSULTATION QUESTIONS

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<b>Respondent:</b>	<i>Martin Mate</i>
<b>No. of Parties Represented</b>	5
<b>Parties Represented</b>	<i>British Energy Power &amp; Energy Trading Ltd, British Energy Generation Ltd, Eggborough Power Ltd, British Energy Generation (UK) Ltd, British Energy Direct Ltd</i>
<b>No. of Non Parties Represented</b>	-
<b>Non Parties represented</b>	-
<b>Role of Respondent</b>	<i>Supplier/Generator/Trader/Consolidator/Exemptable Generator/Party Agent</i>

<b>Q</b>	<b>Question</b>	<b>Response</b>	<b>Rationale</b>
1.	Do you agree with the Panel's views on P189 and the provisional recommendation to the Authority contained in the draft Modification Report that P189 <b>should</b> be made? Please give rationale.	Yes / No	The proposal would treat an Interconnector in a similar manner to a Power Station with multiple Boundary Points with regard to forming a Trading Unit. Presumably it is this which makes the benefit of the proposal self-evident to the Panel (under BSC objective c), rather than a detailed consideration of the consequences of potential flows across the transmission system between the relevant Boundary Points. For an interconnector the location would be restricted to a single sub-station, so the scope for such flows is no greater than for power stations.
2.	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	Restricting the site location of a Trading Unit to a single substation gives no greater scope for inter-Boundary Point flows than for a Power Station or exemptable embedded generation.
3.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P189? Please give rationale.	Yes	Implementation should seek to minimise overall implementation costs (although these are low anyway).

Q	Question	Response	Rationale
4.	Are there any further comments on P189 that you wish to make?	Yes	Trading Units were devised to allow certain charges normally payable by generation and demand separately to be avoided, to the extent generation satisfies a 'local' demand. The charges avoided mostly relate to use of the transmission system, so 'local' should be equivalent to 'not using the transmission system or the services it provides'. Sites with more than one boundary point have a capability to use the Transmission system to transport energy from one point to another, and future growth in embedded energy and sites/networks with multiple connections may require the fundamental principles of Trading Units to be revisited.

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Dear Sirs,

This response is sent on behalf of Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd., Medway Power Ltd., and SSE Energy Supply Ltd.

In relation to the four questions contained within your note of 13th June 2005, and the associated Consultation for P189, we have the following comments to make: -

Q1 Do you agree with the Panel's views regarding P189 and the provisional recommendation to the Authority contained in the draft Modification Report that P189 should be made? Please give rationale.

Yes, we agree with the proposed BSC Panel recommendation to the Authority that Modification Proposal P189 should be made for the reasons outlined in the Modification Report.

Q2 Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.

It appears to.

Q3 Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P189? Please give rationale.

If the Modification Proposal P189 is approved, we agree with the proposed BSC Panel recommendation regarding the timing for the Implementation Date, as outlined in the Modification Report.

Q4 Are there any further comments on P189 that you wish to make?

Nothing further at this time.

Regards

Garth Graham  
Scottish and Southern plc