

Draft MODIFICATION REPORT for Modification Proposal P143 Revision of P99 to Halt the Progression of the Performance Assurance Reporting Monitoring System (PARMS) Serials, Standards and Supplier Charge Elements

Prepared by: ELEXON on behalf of the Balancing and Settlement Code Panel

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This document has been distributed in accordance with Section F2.1.10¹ of the Balancing and Settlement Code.

RECOMMENDATIONS

The Balancing and Settlement Code Panel recommends that:

- **Proposed Modification P143 should not be made; and**
- **In the event that the Authority determines that the Proposed Modification P143 should be made, AGREE an Implementation Date of 2 Working Days after the Authority decision**

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¹ The current version of the Balancing and Settlement Code (the 'Code') can be found at www.elexon.co.uk/ta/bscresel_docs/bsc_code.html

CONTENTS TABLE

Summary of impacted parties and documents	3
1 Description of Proposed Modification and assessment against the Applicable BSC Objectives	4
1.1 Modification Proposal	4
1.2 History of Modification Proposal P99.....	4
1.3 Proposed Modification.....	5
1.4 Issues raised by the Proposed Modification	5
1.5 Assessment of how the Proposed Modification will better facilitate the Applicable BSC Objectives.....	7
1.6 Modification Group's cost benefit analysis of Proposed Modification.....	8
1.7 Governance and regulatory framework assessment	8
2 Rationale for Panel's recommendations	8
3 Impact on BSC Systems and Parties	9
3.1 BSCCo	9
3.2 BSC Systems.....	10
3.3 Parties and Party Agents	10
4 Impact on Code and documentation.....	10
4.1 Balancing and Settlement Code	10
4.2 Code Subsidiary Documents	11
4.3 Impact on Core Industry Documents and supporting arrangements	11
5 Summary of consultations	12
5.1 Summary of the consultation responses	12
5.2 Comments and views of the Panel	14
6 Summary of Transmission Company analysis.....	14
6.1 Analysis	14
7 Summary of external advice	14
8 Implementation approach	14
9 Document control	15
9.1 Authorities	15
9.2 References.....	15
Annex 1 Draft legal text.....	16
Annex 2 Modification Group details.....	16
Annex 3 Consultation responses.....	16
Annex 4 Transmission Company analysis	30
Annex 5 BSC Agent impact assessments	30
Annex 6 Party impact assessments	30
Annex 7 Cost benefit analysis.....	30
Annex 8 Core Industry Document Owner impact assessments.....	30
Annex 9 Proposed text to modify BSCCo Memorandum and Articles of Association	30
Annex 10 Terms of reference and report/analysis of external consultants/advisors.....	30

SUMMARY OF IMPACTED PARTIES AND DOCUMENTS

The following parties/documents have been identified as being potentially impacted by Modification Proposal P143.

Parties	Sections of the BSC	Code Subsidiary Documents
Suppliers <input checked="" type="checkbox"/>	A <input type="checkbox"/>	BSC Procedures <input checked="" type="checkbox"/>
Generators <input checked="" type="checkbox"/>	B <input type="checkbox"/>	Codes of Practice <input type="checkbox"/>
Licence Exemptable Generators <input type="checkbox"/>	C <input type="checkbox"/>	BSC Service Descriptions <input checked="" type="checkbox"/>
Transmission Company <input type="checkbox"/>	D <input type="checkbox"/>	Service Lines <input checked="" type="checkbox"/>
Interconnector <input type="checkbox"/>	E <input type="checkbox"/>	Data Catalogues <input type="checkbox"/>
Distribution System Operators <input type="checkbox"/>	F <input type="checkbox"/>	Communication Requirements Documents <input type="checkbox"/>
Party Agents		
Data Aggregators <input checked="" type="checkbox"/>	G <input type="checkbox"/>	Reporting Catalogue <input type="checkbox"/>
Data Collectors <input checked="" type="checkbox"/>	H <input type="checkbox"/>	MIDS <input type="checkbox"/>
Meter Operator Agents <input checked="" type="checkbox"/>	J <input checked="" type="checkbox"/>	Core Industry Documents
ECVNA <input type="checkbox"/>	K <input type="checkbox"/>	Grid Code <input type="checkbox"/>
MVRNA <input type="checkbox"/>	L <input type="checkbox"/>	Supplemental Agreements <input type="checkbox"/>
BSC Agents		
SAA <input type="checkbox"/>	M <input type="checkbox"/>	Ancillary Services Agreements <input type="checkbox"/>
FAA <input type="checkbox"/>	N <input type="checkbox"/>	Master Registration Agreement <input checked="" type="checkbox"/>
BMRA <input type="checkbox"/>	O <input type="checkbox"/>	Data Transfer Services Agreement <input type="checkbox"/>
ECVAA <input type="checkbox"/>	P <input type="checkbox"/>	British Grid Systems Agreement <input type="checkbox"/>
CDCA <input checked="" type="checkbox"/>	Q <input type="checkbox"/>	Use of Interconnector Agreement <input type="checkbox"/>
TAA <input type="checkbox"/>	R <input type="checkbox"/>	Settlement Agreement for Scotland <input type="checkbox"/>
CRA <input type="checkbox"/>	S <input checked="" type="checkbox"/>	Distribution Codes <input type="checkbox"/>
Teleswitch Agent <input type="checkbox"/>	T <input type="checkbox"/>	Distribution Use of System Agreements <input type="checkbox"/>
SVAA <input checked="" type="checkbox"/>	U <input type="checkbox"/>	Distribution Connection Agreements <input type="checkbox"/>
BSC Auditor <input type="checkbox"/>	V <input type="checkbox"/>	BSCCo
Profile Administrator <input type="checkbox"/>	W <input type="checkbox"/>	Internal Working Procedures <input type="checkbox"/>
Certification Agent <input type="checkbox"/>	X <input type="checkbox"/>	Other Documents
MIDP <input type="checkbox"/>		Transmission Licence <input type="checkbox"/>
TFLA <input type="checkbox"/>		
Other Agents		
SMRA <input checked="" type="checkbox"/>		
Data Transmission Provider <input type="checkbox"/>		

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

Cost of implementing Proposed Modification:	Up to 20 ELEXON man days
Total:	Up to 20 ELEXON man days

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

1.1 Modification Proposal

Modification Proposal P143 "Revision of P99 to halt the progression of the PARMS Serials, Standards and Supplier Charge elements" (P143) was submitted by Centrica on 1 September 2003. P143 was raised following an increase in the estimated costs of implementing Approved Modification P99 "Changes to Accreditation and the PARMS Serials and Standards, resulting from the Performance Assurance Framework (PAF) Review (Phase 1)" (P99).

P99 included the requirement to implement changes to three elements of the PAF: Accreditation; Entry Processes; and Serials and Standards. P143 proposes that work continues on two of these elements, Accreditation and Entry Process, in time for an Implementation Date of 1 May 2004 whilst work on the development of IT systems and associated process associated with Serials and Standards elements of P99 is halted. The Proposed Modification suggested that:

- Supplier Charges are excluded from the implementation of P99²;
- Serials are removed from the implementation of P99;
- a further review is undertaken relating to the complexity of Serials that are in part responsible for some of the increased costs attributable to the implementation of P99³; and
- the results of this review be included within a "holistic Modification following a review of Supplier Charges".

The issue or defect with the Balancing and Settlement Code ('the Code') that P143 is aimed to address has been cited as being the complexity of the Serials that P99 introduced to the Code. P143 therefore proposes that as an interim measure the definition of Serials present within the Code before the Approval of P99 is adopted pending approval of the future Modification Proposal.

1.2 History of Modification Proposal P99

A review of the Performance Assurance Framework (PAF) within the Trading Arrangements was initiated in September 2001 by the Balancing and Settlement Code Panel ('the Panel') which used the Risk Assessment Group (RAG) to oversee the review. Phase 1 of the PAF Review focussed on the techniques of Accreditation, Audit, Entry Processes and Serials and Standards. Each technique was analysed by an expert group comprised of industry participants representing a range of market roles, and the findings of the analysis were reported to the RAG and then presented to the Panel for approval on 18 April 2002. The Panel agreed with the recommendations of the PAF Review and requested that these findings be issued to industry for formal consultation.

The majority of industry responses to the consultation supported the PAF Review's recommendations. Relevant expert groups discussed the queries and suggestions raised by respondents to the consultation and where appropriate, actions were taken to modify the PAF review recommendations accordingly.

On 2 September 2002, British Gas Trading raised a Modification Proposal, P99, in order to implement the recommendations of the PAF Review. P99 was aimed at delivering the results of Phase 1 of the PAF Review in a single package. The Initial Written Assessment for P99, was presented to the Panel on

² It should be noted that P99 modified the Serials defined within the Code and that it was not intended to change the way in which Supplier Charges operates, other than to apply them to the revised Serials as appropriate.

³ For the avoidance of doubt a Modification Proposal is not required to instigate a review of Serials within the Code.

12 September 2002 and the Panel agreed to submit Modification Proposal P99 to a two-month Assessment Procedure conducted by the Volume Allocation Standing Modification Group (the Group).

During the Assessment Procedure of P99 the Group met to discuss the responses to the consultation and impact assessment. While the responses were supportive of the Modification Proposal in principle, they highlighted that many respondents required a further level of technical detail before being able to provide a the detailed impact on their organisation. Consequentially the Group concluded that additional analysis was required and at the Panel meeting on 14 November 2002 requested and was granted, a one-month extension to the Assessment Procedure. As part of the assessment during this additional month additional technical details were specified and the Group also sought to understand the perceived costs and benefits introduced by P99. These factors were used this in its assessment of Proposed Modification P99 against the Applicable BSC Objectives.

The Group set out its estimates of the costs likely to be incurred by industry to incorporate P99. This estimate identified one off industry wide costs (i.e. costs to Trading Parties, Party Agents, BSC Agents and BSCCo) in the range £1m to £3m. The Group also estimated the potential benefit to industry at between £2m and £5m per annum. Whilst cost benefit analysis is not an Applicable BSC Objective, the Group used this information to form part of its overall assessment when determining whether P99 better facilitated the achievement of the Applicable BSC Objectives. The final Assessment Report was presented to the Panel at its meeting on 12 December 2002 and the Panel endorsed the VASMG's recommendation that Proposed Modification P99 should be made based on the better facilitation of the Applicable BSC Objectives. Following confirmation of the Panel's provisional recommendation during the Report Phase a Modification Report was presented to the Authority on 24 January 2003. On 26 February 2003, the Authority directed that P99 should be made with an Implementation Date of 20 January 2004.

Following the initiation of the P99 development project, BSCCo identified the need for more extensive development of the central PARMS necessitating a re-procurement and a significant increase in project costs. This in turn precipitated a review of the PARMS functionality and the rules within the Code. This identified a number of issues that required further clarification and resolution prior to implementing the solution. BSCCo consequently requested that the Panel seek an extension to the Implementation Date as the clarification of these issues would require additional time to implement P99. The Authority subsequently granted an extension to 1 May 2004.

1.3 Proposed Modification

Whilst it could be argued that the Modification Proposal does not fully describe a Proposed Modification, further clarification was sought from the Proposer about the intended effect of the proposal. The Proposer confirmed that the legal text with respect to Serials should revert to the pre-P99 version of the text and that a subsequent Modification Proposal should be raised to deliver any further changes to the definition of Serials within the Code. This clarification was given in the IWA presented to the Panel.

1.4 Issues raised by the Proposed Modification

An initial assessment of Modification Proposal P143 was undertaken which identified the following potential areas of impact and issues which may need to be considered when determining which course of action to take with respect to P143. These impacts and issues are detailed below:

- **Definition of Proposed Modification** – The Proposed Modification states that it seeks to halt the implementation work on P99 however it is not clear what changes to the Code are being proposed to achieve this. There were two possibilities: 1) P143 seeks to introduce an as yet undefined new set of rules relating to Serials and Standards in which case further definition of this would be required; or 2) P143 seeks to reverse the changes to the Code that were introduced under P99 with respect to Serials and revert the legal text to the pre-P99 position.

Subsequent to the raising of P143, BSCCo contacted the Proposer who has confirmed that P143 was intended to propose option 2 above, i.e. they wish the Code to revert back to the Pre-P99 legal text in relation to Serials. This was stated at the Panel meeting.

- **Previous consultation in respect of Serials and Standards** – Modification Proposal P99 was raised following Phase 1 of the review of the Performance Assurance Framework (PAF). Following this review, a consultation was undertaken to refine the findings of the PAF and this culminated in the raising of P99. During the progression of P99 through the Modification Procedures, further consultations had been initiated with Parties at both the Assessment Procedure stage and the Report Phase. The majority of the consultation responses indicated support for the findings of the PAF review as embodied within P99.
- **Reversion to Pre-P99 Serials** – Modification Proposal P99 proposed to reduce the total number of Serials from 63 to 34. This involved the removal of 50 Serials and the inclusion of a further 21 new Serials. The 50 removed Serials had been removed on the grounds that they were not used as they were unable to be effectively measured or were meaningless measurements. P143 would see the re-introduction of these removed Serials.
- **Authority determination on Modification Proposal P99** – The Authority, in coming to its decision on Modification Proposal P99 carefully considered the issues raised in the P99 Modification Report and acknowledged the concerns of respondents relating to the costs of implementing P99. The Authority however also noted that the identified benefits to the operational efficiency and data quality were significant. The Authority also accepted the Modification Group’s opinion that the overall cost of performance assurance would decrease, even if this were not the case of each individual technique. The Authority made its decision having regard to both the Applicable BSC Objectives and its wider statutory obligations. Given the VASMG’s recommendation to approve P99, it is not clear what has changed that would affect that view.
- **Parties may have already commenced work to ensure that they are P99 compliant** – It is possible that Parties will have committed the necessary resource to ensure that the reporting requirements for P99 are fully delivered by the Implementation Date for P99. Any Modification Proposal halting the work on this Modification Proposal may render this work nugatory. This hypothesis has been tested through the consultation process.
- **Requirement to undertake a review of Serials and Standards** – P143 suggests that a further review of the complex levels of Serials is undertaken. Whilst P143 suggests that a further review of the “complex levels of Serials that are contributing to the escalating costs [of P99]”, should be undertaken, the Proposer has confirmed that P143 should not be delayed whilst this review to concludes. The Panel was therefore being requested to initiate a further review of Serials and Standards. Such a review would have repeated the extensive work carried out by the Serials and Standards expert group within the PAF review.
- **Uncertainty of a future Modification Proposal** – The Proposal suggests that following a review of Supplier Charges together with the review of Serials suggested above a new Modification Proposal could be raised which encompasses the issues related to both Supplier Charges and the complexity of Serials and Standards. Until such a Modification Proposal is raised, it is not clear that such a Proposal will ever be raised nor is there certainty that such a Modification Proposal will be approved by the Authority.
- **Costs of P99** – The Modification Proposal states that the costs of implementing the Serials elements of P99 have increased from £250,000 up to £2.2m (of which £1.8m are demand led costs). It should be noted that the estimated £1.8m demand led costs also includes the costs attributable to the other parts of P99, i.e. Accreditation and Entry Process. This cost also

includes contingency. The detailed costs of implementing P99 are not yet available as the tendering process for the software development is still underway. However based on the above the cost savings estimated by the Group, there would still be a net benefit to industry within less than three years⁴ at the expected upper bounds of development costs. Until the reward of a contract for P99 it is not appropriate to place into the public domain the expected level of cost from the tendering process.

- **Interaction with P99 development plans** – In the absence of a decision approving P143, work on the implementation of P99 within BSCCo and its agents will continue according to its current plan. This will likely to include the conclusion of a tendering process and award of contracts for software development for a new Performance Assurance Reporting and Monitoring System (PARMS) which is currently scheduled to occur between the October 2003 and November 2003 Panel meetings. It is also unclear what impact P99 will have on Party and Party Agents own development plans as they may have prepared to amend / decommission their existing reporting systems and committed the resource to create new reporting systems where appropriate.
- **Interaction with P141 "Removal of Unintentional Effects of Approved Modification P106 on Supplier Charges"** – It should be noted that there is an interaction with Modification Proposal P141. Existing PARMS is a fragile IT system, which is not capable of being modified. Any changes to the rules associated with Standards and Serials would require a system to be developed to accommodate them. Were P143 to be approved and in the absence of P141 being approved, it is likely that a system would be required to be built to accommodate the Pre-P99 Serials and Standards for the period between 24 June 2003, and the Implementation Date of P143.
- **Effect of P143 and similar Modifications on future negotiations undertaken by BSCCo and third Parties** – The existence of P143 and/or similar Modification Proposals seeking to halt work on Approved Modifications may have a detrimental effect on the responses to tenders that BSCCo undertake as it may increase penalty clauses that contractors may wish to include within the contracts.

1.5 Assessment of how the Proposed Modification will better facilitate the Applicable BSC Objectives

At its meeting on 11 September 2003, the Panel determined that in light of:

- the previous consultations in respect of P99;
- its original recommendation in respect of P99, that the P99 Serials better facilitated the achievement of the Applicable BSC Objectives when compared with the Serials that existed prior to P99;
- Authority decision letters with respect to P99; and
- the proposed reversion to a previous version of the Serials (Pre-P99),

the recommendation that the Panel would make, would generally be considered self evident. The Panel concluded that the Applicable BSC Objectives would not be better facilitated by the introduction of P143 and in accordance with the Code, submitted P143 directly to the Report Phase with a recommendation that P143 should not be made.

⁴ This calculation assumed an implementation cost of P99 to be £1.8m of demand led funds added to the worst case costs to industry of £3m. This gives a total cost of £4.8m. If the worst case benefits were taken to be £2m per annum (the lower end of the £2m-5m range) then P99 would still realise the benefits estimated by the VASMG within less than 3 years. The VASMG's estimate of the benefits included an estimate of the value of avoiding Audit qualification and was based on the assumption that the improvements delivered by P99 prove to be useful for at least 2 years.

1.6 Modification Group's cost benefit analysis of Proposed Modification

No cost benefit analysis was undertaken as no Modification Group was appointed to undertake an assessment of P143.

1.7 Governance and regulatory framework assessment

The Panel considered the wider implications of P143 in the context of the statutory, regulatory and contractual framework within which the Code sits, as is required by the Code (Annex F-1, paragraph 1(g)). The Panel was of the opinion that, were P143 to be implemented, there would be no such wider implications.

2 RATIONALE FOR PANEL'S RECOMMENDATIONS

In coming to its initial decision with respect to P143, the Panel considered the presentation provided by the Proposer as well as the contents of the Initial Written Assessment (IWA).

The Proposer had suggested their ideal solution would be to halt work on P99 as an interim step whilst a thorough review of Serials was made in conjunction with the existing review of the current Supplier Charges. The Proposer stated that they had concerns relating to the costs of the P99 development and the transparency of the cost benefit analysis undertaken by the Modification Group in discussing P99. The Proposer noted that it was not possible to achieve their desired outcome within a single Modification Proposal. P143 was therefore raised to change the definition of Serials to its pre-P99 position, as an interim measure, as a means to halting any work in respect of P99 whilst a subsequent Modification Proposal could be raised to develop the eventual solution to the Serials that should be contained within the Code. The Proposer had suggested that P143 should be submitted directly to the Report Phase with a recommendation that P143 should be made. In order to achieve this it would be necessary for the draft Modification Report to contain legal text.

BSCCo presented the IWA which outlined the issues as contained within section 1.4 of this report. BSCCo noted that given the issues identified and in particular the Authority's decision letters in respect of P99, both the original approval and subsequent extension to the timetable, that the cost benefit analysis developed by the VASMG still showed P99 to be beneficial within 3 years. BSCCo also noted that whilst the costs of implementing P99 had increased from that outlined within the P99 Assessment Report, the costs quoted within Modification Proposal P143 may have been misleading. In particular BSCCo noted that the costs quoted within the Modification had shown a comparison of the demand led⁵ development costs for PARMS development with the total project budget (both demand led and operational resources) for the entire project. The P143 IWA also noted that no legal text had been prepared during the development of the IWA and requested that the Panel consult with the Authority to determine if such text was required within any draft Modification Report.

BSCCo also noted that the issue of Supplier Charges was being addressed as Issue 6, currently being progressed by the VASMG.

In discussing whether or not the recommendation of the Panel would generally be considered to be self evident, one Panel member suggested that it may be appropriate to undertake short Definition Procedure to determine what the eventual solution for Serials should be. BSCCo reported that such

⁵ The ELEXON budget supports operational, demand-led, and contracted costs plus elements relating to NETA and BETTA funding. The processing of Modification Proposals requires the use of ELEXON core staff that are funded from the operational budget, and where necessary, support from specialist consultants, use of external facilities and assessments from impacted BSC Agents which are funded from the demand-led budget. Whilst the deployment of core staff involves the scheduling of staff and does not precipitate any extra costs, the use of demand-led funds necessitates a call being made on the provisions established within this area of the budget. The main use of Demand Led funds is to finance the costs of implementing agreed Modification Proposals and Change Proposals in addition to the core operational team - e.g. Logica CMG development costs.

definition of Serials was outside the scope of P143 as P143 sought to redefine the Serials to that existing within the pre-P99 baseline.

It was suggested that BSCCo could seek a further delay to the Implementation of P99 if this would help resolve the time pressure however one Panel member expressed concern that the Accreditation and Entry Process elements of P99 would also be delayed by any such extension and that this was undesirable.

During the discussion, the Ofgem representative drew attention to the Authority's earlier decision in respect of P99.

In coming to its recommendation that P143 should not be made, the Panel considered the previous decisions in respect of P99 including the evidence of the previous consultation in respect of both P99 and the PAF. The Panel concluded it had originally compared the Serials introduced by P99 with the baseline that existed prior to P99's incorporation into the Code. At that time the Panel concluded that the achievement of the Applicable BSC Objectives would be better facilitated by the introduction of P99. Whilst the Panel expressed concern over the increased cost of P99, it saw no reason to change its original recommendation in respect of the Serials introduced by P99. The Panel concluded therefore that its recommendation would generally be considered to be self evident and that P143 should be submitted directly to the Report Phase with a recommendation that P143 should not be made.

Provision of Legal Text

No Assessment Procedure was undertaken in respect to P143 and as such no legal text was prepared. Paragraph F2.7.3 of the Code states that where no legal text has been prepared in the Assessment Procedure and the recommendation of the Panel is that the Proposed Modification (or Alternative Modification where relevant) is not made, the Panel shall consult with the Authority to determine whether or not the draft Modification Report should contain such text. The Panel sought to consult with the Authority to determine if legal text for the Proposed Modification was required. The Authority representative indicated that there was no requirement for the Authority to give its view on legal text if the Modification Proposal was submitted directly to the Report Stage following the presentation of an IWA.

If the Panel was minded to alter its provisional view in light of the consultation responses, or the Authority minded to direct that the Modification Report should contain legal text, it would be necessary to prepare such legal text for the Proposed Modification P143. In light of this, the Panel is invited to consult with the Authority to determine whether the legal text for P143 is required to be included within the Modification Report.

3 IMPACT ON BSC SYSTEMS AND PARTIES

An initial assessment has been undertaken in respect of BSC Systems and Parties and the following have been identified as potentially being impacted by the Proposed Modification.

3.1 BSCCo

An initial assessment was undertaken in respect of BSCCo and the following were identified as potentially being impacted by the Modification Proposal.

The impacts of P143 on BSCCo will be:

- The P99 development activities associated with Serials and Standards would need to be stopped;

- Procurement of the PARMS developer would need to be halted, or in the case that procurement had completed at the time of the Authority determination, the contract should be terminated; and
- An impact assessment to determine the period during which the existing PARMS could continue to operate without requiring further redevelopment to cater for operational issues such as ensuring it is always running on a supported IT platform. It is also possible that were P143 to be approved and P141 not approved, backdated to 24 June 2003, that the existing system would be required to be developed in order to be capable of calculating the Serials and Supplier Charges from period of 24 June 2003 to the Implementation Date of P143. This and any subsequent Modification Proposal impacting Supplier Charges, Serials and Standards would precipitate significant changes probably necessitating a procurement of a new IT system.

The costs in terms of effort of implementing P143 are of the order of 5 ELEXON man days if a decision is received prior to the award of a contract for P99 development and 20 man days if a decision is received after the award of the contract.

3.2 BSC Systems

An initial assessment was undertaken in respect of all BSC Systems and processes and the following have been identified as potentially being impacted by the Modification Proposal.

BSC System / Process	Potential Impact of Proposed Modification
Supplier Volume Allocation	As part of P99, any changes required to support the new Serials developed by the Supplier Volume Allocation Agent would no longer be required.
Central Volume Allocation	As part of P99, any changes required to support the new Serials developed by the Central Volume Allocation Programme

3.3 Parties and Party Agents

The impact on Parties⁶ and Party Agents' preparation activities to determine the level of resources and impact of commitments already made to ensure their systems are compliant by the P99 Implementation Date.

It should be noted however that P99 was approved on 26 February 2003 with an intended Implementation Date of 20 January 2004, this date was later extended to 1 May 2004. This implies that of the 15 months (12 originally) total available development time available for Parties and Party Agents to undertake changes to their systems, seven months have passed.

4 IMPACT ON CODE AND DOCUMENTATION

4.1 Balancing and Settlement Code

An initial 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.

⁶ For the avoidance of doubt this includes the preparation activities being undertaken by Parties will include any work being undertaken by the Supplier Meter Registration Agents in order to support the P99 arrangements.

Item	Potential Impact of Proposed Modification
Section J 'Party Agents'	P99 introduced a new requirement for Supplier Meter Registration Agents (SMRAs) to provide registration data to BSCCo for the purposes of market monitoring – this change would need to be reversed.
Annex S-1 Performance Levels and Supplier Charges	Annex S-1 'Performance Levels and Supplier Charges' would be revised to reflect the new standards and Serials, particularly the Supplier Serials. These changes would no longer be required.

4.2 Code Subsidiary Documents

An initial 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.

The following documents all contain references to the set of PARMS Serials and Standards modified by P99 and therefore any changes currently under development would no longer be necessary:

- BSCP536 – Supplier Liquidated Damages
- BSC SVA Data Catalogue (Part 1)
- PSL110 – SVA Meter Operation
- PSL120 – Non Half Hourly Data Collection
- PSL130 – Half Hourly Data Collection
- PSL140 – Non Half Hourly Data Aggregation
- PSL150 – Half Hourly Data Aggregation
- PSL160 – Supplier Meter Registration Service
- PSL170 – Meter Administrator
- PSL180 – CVA Meter Operation
- SSL300 – Supplier Volume Allocation
- SSL310 – Daily Profile Production
- SSL360 – Market Domain Data

In addition to this BSCP533 contains two large appendices: the PARMS File Formats and the Monitoring Implementation Requirements Tables (MIRT). The changes being developed by BSCCo to ensure that the extensive revisions to align them with the P99 Serials will no longer be required. Work is currently underway on these changes.

4.3 Impact on Core Industry Documents and supporting arrangements

An initial assessment has been undertaken in respect of Core Industry Documents and the following documents have been identified as potentially being impacted by the Modification Proposal.

Item	Potential Impact of Proposed Modification
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Master Registration Agreement	Under P99 a change was required to the Master Registration Agreement to align with the changes in Section J of the BSC relating to data provision by SMRAs. This change would no longer be necessary.
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5 SUMMARY OF CONSULTATIONS

Nine responses (48 Parties and 1 Non Party) responded to the consultation on Modification Proposal P143.

Consultation question	Respondent agrees	Respondent disagrees	Opinion unexpressed
Do you agree with the Panel's views on P143 and the provisional recommendation to the Authority contained in the draft Modification Report that P143 should not be made?	3 (16 Parties)	4 (20 Parties, 1 Non Party)	2 (12 Parties)
Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P143?	6 (36 Parties)	0	3 (12 Parties and 1 Non Party)

5.1 Summary of the consultation responses

Panel's provisional recommendation that Proposed Modification P143 should not be made

The Panel had made a provisional recommendation that P143 should not been made. The consultation provided no agreement from respondents on whether or not the Panel's provisional recommendation in respect of P143 was appropriate. More respondents disagreed with the Panel's provisional recommendation than agreed with it.

Further to the rationale provided in the draft Modification Report, the arguments expressed by one respondent in favour of the Panel's recommendation were that:

- If the cost benefit analysis undertaken by the Modification Group assessing Modification Proposal P99 was correct, then P99 as a whole will reach break even point within 3 years.

A variety of comments were expressed by those that disagreed with the Panel's provisional recommendation. These were:

- There is a proposal that a new review be undertaken to determine the mechanism and measures to that should be used ensure that a cost efficient PARMS solution is implemented;
- The costs of P99 have increased and there is no guarantee that there will be no further cost increases;
- Other significant industry pieces of work are underway:
 - Issue 6 Appropriateness of the current Supplier Charging Mechanism; and
 - The cross industry Customer Transfer programme.

Both projects may result in significant changes to the proposed PARMS regime.

- Any revisiting of the P99 solution after its Implementation Date will result in further costs; and
- A decision on whether or not to proceed with P99 should be made after an industry workshop has been held (scheduled for 10 October 2003).

Of those respondents that did not express an opinion on whether or not the achievement of the Applicable BSC Objectives was better facilitated, the following concerns were expressed:

- The benefits of P99 have not clearly been demonstrated to outweigh the costs;
- The decision to submit P143 directly to the Report Phase;
- Whether the cost can be justified if the PARMS has a limited shelf life were the result of further industry reviews to develop different requirements;

Implementation Date

All respondents expressing an opinion in respect of the Implementation Date agreed with the provisional Implementation Date proposed by the Panel. One respondent (1 Non Party) suggested that a decision on the Implementation Date should not be reached until after the P99 Industry Workshop being held on 10 October 2003.

Other Comments

Several respondents noted the need to receive a decision in respect of P143 prior to 5 November 2003. These respondents recognised the need for a decision before any contract is signed with the P99 PARMS developer. The current plans show that the contract should be signed with the successful service provider on 2 November 2003.

One respondent stated that there may be a significant number of other issues with the definition of Serials, reports and the surrounding business processes, unresolved at the end of the PAF review and the P99 decision process, which could result in a significant delay to P99 PARMS. This respondent has been contacted to determine whether or not they were able to identify any such issues and they confirmed that other than those currently in the public domain the respondent was not aware of any others.

This respondent also pointed out a number of minor typographical errors that have been corrected in later drafts of the report.

One respondent expressed concern about a number of issues associated with the P99 Implementation Project. All such issues have been forwarded to the Project for consideration and response as necessary. Participants will also have the opportunity to address any issues at the P99 Workshop to be held on 10 October 2003.

This respondent also made a number of comments on the content of the draft Modification Report. These are discussed below:

- The final version of the P99 documentation has not been published so therefore any reports are subject to change. This comment referred largely to the P99 file formats which are available on the BSC Website and have now been finalised;
- Uncertainty of a future Modification Proposal – The respondent indicated that the PARMS elements of P99 could be delayed until a review of Supplier Charges has been completed. In response, it should be noted that the current Supplier Charges elements have been removed from the development of the new PARMS system

and will be incorporated as and when some more certainty exists within the legal baseline.

- The costs savings introduced by P99 related purely to the Accreditation and Entry Process elements of P99. In response, P99 was assessed as a whole package and the cost benefit argument was established against the entire package of techniques and not individual items; and
- The industry had no opportunity to pass comment on P143. In response, the consultation during the Report Phase on P143 allowed parties to pass comment.

Another respondent made several observations in respect of P143:

- Concern was expressed that BSCCo implied that Parties had started work on making P99 changes to their systems and process. In response, the draft Modification Report stated that Parties may have undertaken these activities but it was not clear whether such changes had been made;
- This respondent expressed concern that there was a statement that the costs identified within the Modification Proposal may have been misleading and asked for further information relating to this. In response, the costs included within the Modification Proposal suggested that the cost of the changes required to develop the changes to Serials and Standards had increased from £250k to £2.2M. The Modification Proposal suggested that costs had increased by 900%. The cost comparison included within the Modification Proposal had compared demand led costs of developing part of the PARMS with the total costs, both demand led and operational, of the entire project including Accreditation and Entry Processes. Whilst it is undesirable to publish cost information relating to current tendering the current project budget for P99 shows a total demand led cost of £1.8M which includes an appropriate level of contingency.

5.2 Comments and views of the Panel

To be completed following the Panel meeting on 9 October 2003

6 SUMMARY OF TRANSMISSION COMPANY ANALYSIS

6.1 Analysis

None commissioned as no Assessment Procedure was undertaken.

7 SUMMARY OF EXTERNAL ADVICE

None commissioned

8 IMPLEMENTATION APPROACH

On the advice of the BSCCo, the Panel recommends that were P143 to be implemented it should be undertaken two Working Days after an Authority decision in favour of P143. If a decision is made in favour of P143, BSCCo would seek to close down in an orderly manner any work underway on the development of P99.

9 DOCUMENT CONTROL

9.1 Authorities

Version	Date	Author	Reviewer	Change Reference
0.1	22/09/03	Richard Clarke	Change Delivery	
0.2	22/09/03	Richard Clarke	Change Delivery	
0.3	03/10/03	Richard Clarke	Change Delivery	

9.2 References

Ref	Document	Owner	Issue date	Version

ANNEX 1 DRAFT LEGAL TEXT

- No legal text has been prepared for P143.

ANNEX 2 MODIFICATION GROUP DETAILS

No Modification Group was used to assess P143

ANNEX 3 CONSULTATION RESPONSES**Responses from P143 Draft Report Consultation**

Consultation issued 22/09/03

Representations were received from the following parties:

No	Company	File Number	No. BSC Parties Represented	No. Non-Parties Represented
1.	Centrica	P143_DR_001	1	0
2.	Innogy	P143_DR_002	9	0
3.	Scottish and Southern	P143_DR_003	4	0
4.	Scottish Power	P143_DR_004	6	0
5.	Aquila Networks	P143_DR_005	1	0
6.	Powergen	P143_DR_006	15	0
7.	IMServ	P143_DR_007	0	1
8.	EDF Energy	P143_DR_008	9	0
9.	British Energy	P143_DR_009	3	0

P143_DR_001 – Centrica

Respondent:	<i>Claire Walsh</i>
No. of BSC Parties Represented	
BSC Parties Represented	<i>Centrica</i>
No. of Non BSC Parties Represented	
Non BSC Parties represented	
Role of Respondent	<i>Supplier</i>

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on P143 and the provisional recommendation to the Authority contained in the draft Modification Report that P143 should not be made? Please give rationale.	No	As the proposer of MOD P143 we do not support the recommendation of ELEXON and the BSC Panel that P143 should not be made. We believe that the financial costs to both ELEXON and the Industry together with the cited benefits at the time P99 was approved should be viewed as significantly affecting the basis of the original decision. We proposed the opening of a new review to determine the mechanism and measures to ensure that a cost efficient PARMS solution is implemented and would recommend the Panel support this approach.
2.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P143? Please give rationale.	Yes	
3.	Are there any further comments on P143 that you wish to make?	Yes	A decision must be made ahead of 5 th November 2003 as this is the cut off date for ELEXON to contract with the successful tenderer IF the current implementation date of P99 of 1 st May 2004 is to be met.

P143_DR_002 – Innogy

Respondent:	<i>R Harrison, Npower Ltd</i>
No. of BSC Parties Represented	9
BSC Parties Represented	Innogy plc, Innogy Cogen Limited, Innogy Cogen Trading Limited, Npower Limited, Npower Direct Limited, Npower Northern Limited, Npower Northern Supply Limited, Npower Yorkshire Limited and Npower Yorkshire Supply Limited
No. of Non BSC Parties Represented	none
Non BSC Parties represented	<i>N/A</i>
Role of Respondent	<i>Supplier /Generator / Trader / Consolidator / Exemptable Generator / Party Agent</i>

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on P143 and the provisional recommendation to the Authority contained in the draft Modification Report that P143 should not be made? Please give rationale.	Yes / No	<p>It is difficult to form a clear view on this when the process has been pre-empted by a decision to go straight to Report stage, there has been no cost-benefit analysis or discussion of the issues outside Elexon and the Panel to go on and there is no legal text. However, apart from the potential cost of changes which may arise from discussion of Issue 6 (which is really addressing a gap in the Performance Assurance Framework Review) and the Customer Transfer Programme, which are unquantified, there are indications that there may be a significant number of other issues with the definition of Serials, reports and the surrounding business processes, unresolved at the end of the PAF review and the P99 decision process, which could result in a significant delay to P99 PARMS and significantly increased costs, which would further undermine the business case. It would have been useful at least to know the outcome from the first P99 workshop (on 10 October) before giving an opinion on this.</p> <p>Given the likely increased central costs, the significant impact on Party and Agent systems from PARMS changes, and uncertainty about the value of the new reports to Suppliers, the fundamental question which needs to be asked is whether the P99 PARMS changes can actually be justified for a life of perhaps only a year or two before further radical changes. From Suppliers' (and ultimately</p>

Q	Question	Response	Rationale
			their customers') point of view, a lot of money and potentially wasted effort could be saved by persuading the Authority to reconsider its view (quickly) on a further delay (of say a month) to the P99 implementation date to allow a more realistic time to clarify/agree the P99 PARMS monitoring and calculation requirements (since these still seem to be changing) – without eating further into the promised/agreed implementation lead-time – and reach a clearer view on the outcome of the Issue 6 discussions.
2.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P143? Please give rationale.	Yes	Assuming that the 2 nd recommendation is intended to refer to P143 and not all Modifications ("PXX"), and given that it seems reasonable to stop work on these parts of the P99 development as soon as possible.
3.	Are there any further comments on P143 that you wish to make?	Yes	<p>1) What exactly is meant by the statement: "The 50 removed Serials had been removed on the grounds that they were not used due or were meaningless measurements." (sic)?</p> <p>2) What is meant by development costs being "demand led"?</p> <p>3) Can the basis of the projected benefits for P99 be clearly established? Doesn't this require closer scrutiny now that the costs have escalated so much?</p>

P143_DR_003 – Scottish and Southern

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

Further to your note of 22nd September 2003, and the associated Modification Report for P143, we disagree with the proposed BSC Panel recommendation to the Authority that Modification Proposal P143 should not be made.

We believe that Modification Proposal P143 would better achieve the Applicable BSC Objectives (than proceeding with Modification Proposal P99 per se) and therefore that Modification Proposal P143 should be made.

If Modification Proposal P143 is approved, we agree with the proposed BSC Panel recommendation on the timing for the Implementation Date, as outlined in the Modification Report.

Regards

Garth Graham
Scottish & Southern Energy plc

P143_DR_004 – Scottish Power

Respondent:	<i>Name</i> John W Russell (SAIC Ltd)
No. of BSC Parties Represented	6
BSC Parties Represented	<i>Please list all BSC Parties responding on behalf of (including the respondent company if relevant).</i> Scottish Power UK plc; ScottishPower Energy Management Ltd.; ScottishPower Generation Ltd; ScottishPower Energy Retail Ltd.; SP Transmission Ltd; SP Manweb plc.
No. of Non BSC Parties Represented	
Non BSC Parties represented	<i>Please list all non BSC Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent	Supplier / Generator / Trader / Consolidator / Exemptable Generator / Party Agent

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on P143 and the provisional recommendation to the Authority contained in the draft Modification Report that P143 should not be made? Please give rationale.	Yes	<i>ScottishPower view with concern the escalating costs (approx. 400% above levels stated during consultation) and lack of clarity associated with Modification P99; however, if the supplied £2M - £5M benefit figures are still valid, modification P99 will reach a break-even point within 3 years of implementation; Therefore on balance, we reluctantly agree that the argument put forward by this modification is currently not sufficient to warrant further progression.</i> <i>We would wish to reserve the right to alter this view if there is a change in either the cost or the benefit figures and would like to request (yet again) evidence of how the £2M - £5M benefit was derived (which we requested as part of our P99 response that has not been forthcoming).</i> <i>Refer to Q3 for our concerns.</i>
2.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P143? Please give rationale.	Yes	<i>We agree that an Implementation Date of 2 Working Days after the Authority Determination would appear to be appropriate for this modification.</i>
3.	Are there any further comments on P143 that you wish to make?	Yes	<i>Although we agree that P99 has completed the full assessment process, with Authority consent and additional comments, we would like to take the opportunity to raise a number of issues that are still giving us "cause for concern" with P99.</i> <i>We issued a number of queries during the Modification assessment, and again in July when the P99 Project issued the draft version of the serials. To date no response has been received.</i> <i>Throughout the DMR it is stated that although the costs of implementing P99 are high, savings will be made over a period of years. However, as stated in the assessment of P99 most of the</i>

Q	Question	Response	Rationale
			<p><i>cost savings came in the Accreditation and Entry Process changes. No cost savings, only potential timesavings for suppliers were ever mentioned for the changes to PARMs. P143 does not wish to halt the potential cost savings, and we agree that the changes to Entry Process and Accreditation should be made. However, we do have many concerns with the views stated as self evident within the DMR. The following comments relate to individual parts of the paper:</i></p> <p><i>Previous consultation in respect of Serials and Standards – the Industry indicated that the current PARMs does not meet objectives, but many responses were hesitant on the benefits of the P99 serials. Although they are better than the ones currently being used, they may not be the 'best'.</i></p> <p><i>Authority determination on P99 – the full costs are still not known. The Authority decision was based on an inaccurate estimate, with changes to the current PARMs system. The industry has not been allowed to comment on the tendering process, or provide input into the new system specifications. Many of the serials will be totally manual (eg copying all D0023 flows into a format that is suitable for Elexon to use, as they are not attached to the DTN).</i></p>
4.			<p><i>The costs may be detrimental to Agent competition due to the ongoing costs to produce the manual reports</i></p> <p><i>Parties may have already commenced work</i> – however, the final version of P99 has not been published, therefore any draft reports could still be subject to change. Also as new Elexon system is in place we are still unclear what final format the files will take.</p> <p><i>Uncertainty of a future Modification Proposal</i> – in which case, could PARMs part of P99 not be delayed until the supplier charges review is at a stage that a decision could be made on whether or not a Mod was required.</p> <p><i>Costs of P99</i> – The costs as they currently stand were not known during the assessment of P99 and all cost savings as stated before were against entry process and accreditation.</p> <p><i>Interaction with P99 development plans</i> – as we do not know what made up the tender we could not comment on how P143 will interact with the plans.</p>

Q	Question	Response	Rationale
			<p>Interaction with P141 – P141 is correcting a part of P106 that is open to interpretation. (does VASMG still see this as a non issue??)</p>
			<p>Effect of P143 and similar Mods - does this mean that if a development occurs (eg issue 6) that a Modification cannot be raised to stall unnecessary duplication? This Mod still wants the cost saving side of P99 to go through.</p> <p>Also, this note seems to suggest that all Mods are fully accurate. Does this mean that P141 should not go through?</p> <p>General Comments –</p> <p>P143 is not trying to revert to the status quo as an ongoing solution. It is only looking to delay the implementation further to allow the supplier charges review to take place.</p> <p>The Legal text could not be drafted, as the Mod was not allowed to pass to that stage of the process. The legal text could also be viewed by looking at previous versions of the BSC.</p> <p>The Industry has not had a chance to consider P143 and pass comment. The Authority will not be allowed to see a detailed assessment / viewpoint of all Parties and Party Agents.</p> <p>To date questions raised by ScottishPower in December, January, and July have still gone unanswered. We view these questions as very relevant to our report development.</p>

P143_DR_005 – Aquila Networks

Respondent:	Rachael Gardener
No. of BSC Parties Represented	
BSC Parties Represented	Aquila Networks Plc
No. of Non BSC Parties Represented	
Non BSC Parties represented	
Role of Respondent	

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on P143 and the provisional recommendation to the Authority contained in the draft Modification Report that P143 should not be made? Please give rationale.	Yes	Progressing the other changes in this document is desirable and prevents delays when they are not necessary.

Q	Question	Response	Rationale
2.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P143? Please give rationale.	Yes	
3.	Are there any further comments on P143 that you wish to make?	Yes	Excluding the PARMs changes from P99 will enable parties to continue any development work required for the other changes in the Mod. It will also allow parties to obtain clarification of the changes to PARMs and Serials before completing development.

P143_DR_006 – Powergen

Respondent:	Afroze Miah
No. of BSC Parties Represented	15
BSC Parties Represented	Powergen UK plc, Powergen Retail Limited, Diamond Power Generation Limited, Cottam Development Centre Limited, TXU Europe Drakelow Limited, TXU Europe Ironbridge Limited, TXU Europe 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 Limited
Role of Respondent	Supplier

Q	Question	Response	Rationale
1.	Do you agree with the Panel’s views on P143 and the provisional recommendation to the Authority contained in the draft Modification Report that P143 should not be made? Please give rationale.	No	<p>We fully support P143 and believe that it is sensible to stop the implementation of the Serials and Supplier Charges elements of P99 for the following reasons:</p> <ul style="list-style-type: none"> the costs of P99 have blown out of all proportion to what was estimated at the time of P99’s approval. From an initial figure of £400k to an <u>estimate</u> now of £2.2m is unacceptable. What guarantee is there that this will not further increase? Currently two significant pieces of industry-wide work have started that will materially impact on the Serials and Supplier Charges in the near future. These are (1) Issue 6: Appropriateness of the current Supplier Charging Mechanism and (2) the Customer Transfer Programme. Both projects may result in significant changes to the proposed PARMS regime as proposed in P99 and it would result in money being wasted if in a few months after P99 implementation the industry had to revisit P99 and start all over again Any re-visit of P99 after it’s implementation in May 2004 will result in further costs to central systems and to parties’ and parties’ agents’ systems with a disproportional impact on smaller suppliers. We believe that P141 will be

Q	Question	Response	Rationale
			<p>implemented and therefore there is no danger that P143 will be accepted and P141 will not be. There Elexon's concerns are not material. Furthermore, we do not understand why Elexon have linked P141 with P143. They are two different modifications which should be judged separately from each other</p> <ul style="list-style-type: none"> Powergen have not any significant work on implementing P99 and therefore we will not be affected if P99 is stopped. What little work we have done to date has been to understand the implications of P99 and nothing more.
2.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P143? Please give rationale.	Yes	If P143 is approved then implementation needs to occur as soon as possible to prevent any further expenditure on P99 implementation. We understand that the final contract for P99 will be agreed on 5 th November? We therefore
3.	Are there any further comments on P143 that you wish to make?	Yes	<p>We have a number of observations to make on the draft modification report for P143:</p> <ul style="list-style-type: none"> we are concerned you have commented on whether Parties have already commenced work to ensure that they are P99 compliant. You have shown no evidence that Parties have committed resources to this end and we therefore query the reason why you have speculated on this. Powergen have not significantly progressed work on P99 to date and would therefore not be disadvantaged if P99 is stopped. Our understanding of P143 indicated that it had no requirement to further review the Serials. The only mention of a review seemed to be related to the current work initiated under Issue 6. Our understanding was that this was the review mentioned in P143 and not a new review. Or have we

Q	Question	Response	Rationale
			<p data-bbox="1082 197 1273 226">misunderstood?</p> <ul data-bbox="1034 235 1516 562" style="list-style-type: none"><li data-bbox="1034 235 1516 562">• We are also concerned that you believe the costs quoted in P143 may have been misleading. Again Elexon have not given any evidence to back this assertion up. If P143's costings are wrong please let us know, otherwise Elexon would seem to have made a serious accusation here.

P143_DR_007 – IMServ

Respondent:	<i>Name</i> IMServ Europe
No. of BSC Parties Represented	
BSC Parties Represented	<i>Please list all BSC Parties responding on behalf of (including the respondent company if relevant).</i>
No. of Non BSC Parties Represented	
Non BSC Parties represented	<i>Please list all non BSC Parties responding on behalf of (including the respondent company if relevant).</i> IMServ Europe IMServ Meterpoint
Role of Respondent	<i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state)</i>

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on P143 and the provisional recommendation to the Authority contained in the draft Modification Report that P143 should / should not be made? Please give rationale.	No	We do not agree in whole with the recommendation that P143 is rejected. Whilst we appreciate the reluctance to start from scratch with regards the PARMS serials there has not as of yet been an industry workshop (which was due to be held previously but cancelled) to discuss any issues and clarification regarding the PARMS reporting. The workshop due to be held on 10/10 should proceed as planned, and a decision on whether to proceed with the PARMS serials deployment for May, as currently defined, should take place after this workshop. However, by removing the reporting aspect of P99 it would allow the other changes to be deployed, should there be any further delay in detailing the reporting requirements.
2.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P143? Please give rationale.	Yes / No	The implementation date for the serials should be decided once it is known if there are any further changes or issues arising from the workshop on 10/10/03.
3.	Are there any further comments on P143 that you wish to make?	No	

P143_DR_008 – EDF Energy

Respondent:	Paul Chesterman
No. of BSC Parties Represented	9
BSC Parties Represented	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
No. of Non BSC Parties Represented	
Non BSC Parties represented	
Role of Respondent	Supplier / Generator / Party Agent / Distribution Business

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on P143 and the provisional recommendation to the Authority contained in the draft Modification Report that P143 should not be made? Please give rationale.	Yes	BUT SEE OUR COMMENTS AT 3. BELOW
2.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P143? Please give rationale.		No comment
3.	Are there any further comments on P143 that you wish to make?	YES	<p>We DO support the principle that P143 is aiming to achieve, but we do not believe that P143 is the best way forward.</p> <p>We have previously supported P99, but there are now two significant new facts that in our view call for an urgent review before the industry is committed to what has become a very expensive PAF Stage 1 Project. They are:</p> <ol style="list-style-type: none"> 1. We now understand that a fundamental review of Supplier Charges is to be undertaken. 2. We are very concerned at the overall project cost for the implementation of Stage 1 of the PAF Review. It would have been helpful if the draft Modification Report had been able to identify the costs of that part of the project for the implement of the new Serials and Standards. <p>We do not understand why work on this project, that is now estimated to cost many times more than advised at the time of P99, is to continue. We would ask the Panel to urgently consider and report to the industry it's view on the wisdom of progressing the PAF Stage 1 Project.</p>

P143_DR_009 – British Energy

To: Modifications Secretary, BSCCo

Draft Modification Report for P143: Revision of P99 to halt the progression of the PARMS Serials, Standards & Supplier Charge elements.

British Energy has concerns that the benefits of P99 have not been clearly demonstrated to outweigh the costs. Proposal P143 may have merits in limiting the costs, and in allowing more time for the issues affecting settlement data quality, particularly on the supplier side of the market, to be considered more comprehensively. In particular, it may be opportune to review whether the increasing costs incurred in seeking to achieve target performance and accuracy in the competitive supply arrangements are justified; whether it might better meet the BSC Objectives to relax those targets; and to what extent the cost recovery methods include cross-subsidy from non-supplier participants. Acceptance of P143 would focus attention on these areas before possibly unnecessary and inefficient expenditure is incurred.

Martin Mate
for
British Energy Power & Energy Trading Ltd
British Energy Generation Ltd
Eggborough Power Ltd

ANNEX 4 TRANSMISSION COMPANY ANALYSIS

None commissioned

ANNEX 5 BSC AGENT IMPACT ASSESSMENTS

None Commissioned

ANNEX 6 PARTY IMPACT ASSESSMENTS

None Commissioned

ANNEX 7 COST BENEFIT ANALYSIS

None undertaken

ANNEX 8 CORE INDUSTRY DOCUMENT OWNER IMPACT ASSESSMENTS

None Commissioned

ANNEX 9 PROPOSED TEXT TO MODIFY BSCCO MEMORANDUM AND ARTICLES OF ASSOCIATION

None amendments identified

ANNEX 10 TERMS OF REFERENCE AND REPORT/ANALYSIS OF EXTERNAL CONSULTANTS/ADVISORS

None Commissioned