

Responses from P131 Definition Consultation

Consultation issued 7 August 2003

Representations were received from the following parties:

No	Company	File Number	No. BSC Parties Represented	No. Non-Parties Represented
1.	British Gas Trading	P131_DEF_001	1	0
2.	Innogy	P131_DEF_002	9	0
3.	NGT	P131_DEF_003	1	0
4.	Aquila Networks	P131_DEF_004	1	0
5.	YEDL/NEDL	P131_DEF_005	2	0
6.	Scottish Power	P131_DEF_006	6	0
7.	British Energy (late response)	P131_DEF_007	3	0

P131_DEF_001 – BGT

Respondent:	Mark Manley
No. of BSC Parties Represented	
BSC Parties Represented	British Gas Trading
No. of Non BSC Parties Represented	
Non BSC Parties represented	
Role of Respondent	

Q	Question	Response	Rationale
1.	Do you support the principle of P131 that the BSC should place obligations on Parties with regard to the detection and rectification of Trading Disputes? Please give rationale	Yes	<p>BGT believe there should be obligations on Parties with regard to detection of errors. Party's should be obligated to check their settlement output in a timely manner and raise any settlement errors identified promptly. This should help to improve the quality of data entering settlements, which will be to the benefit of all market participants.</p> <p>BGT are unsure of the context of the issue of rectification, as rectification is dependent upon the decision of the Trading Disputes Committee. Is the issue of rectification in relation to supporting ELEXON in providing the information to analyse the Dispute? In this respect BGT support Party's being obligated to support the Disputes process and the existing reference in the BSC in Section W 1.6.</p>
2.	Do you agree that types of criteria should be based on timeliness and materiality? Please give rationale and any additional or alternative types of criteria	Yes	<p>BGT agree that timeliness is a key element of the criteria to improve and maintain the quality of settlement data.</p> <p>Materiality is a fundamental issue to the Disputes process, however BGT do not believe that materiality alone should form part of the criteria. BGT do</p>

Q	Question	Response	Rationale
			<p>not support rectifying a Dispute that costs more to rectify than the materiality of the Dispute.</p> <p>However the materiality of the Dispute should not preclude the Dispute being considered by the TDC, as a precedent may need to be established by the raiser. BGT notes within the consultation documentation that a suggestion was made that the Dispute could be 'sat' upon until the threshold was met. BGT do not believe this would be an efficient use of the process, as it does not encourage the BSC Party to attempt to rectify the issue quickly.</p>
3.	<p>Do you think the same criteria that apply to all Parties should apply to ELEXON?</p> <p>Please give rationale</p>	Yes	<p>BGT believe that it would be an anomaly to allow BSCCo to have a different set of criteria attributed to them. If the intent of the modification is to ensure good practice this could be undermined by the ability of a Party to 'tip off' ELEXON or a BSC Agent of an error so they could raise the Trading Query.</p> <p>BGT do recognise the risk of treating BSCCo the same as all other BSC Party's. BSCCo not being able to raise a Dispute may be the difference between the audit opinion being qualified or not. However, if the intent of the modification proposal is successful and it thereby encourages Party's to check their settlement output in a timely manner there should be less reliance placed on BSCCo to raise Disputes.</p>
4.	<p>Do you think that an initial materiality criterion should be set?</p> <p>If so should it be</p> <p>subjective e.g. TDC opinion</p> <p>objective e.g. £500 threshold?</p>	No	<p>BGT do not support an initial materiality criterion being set in respect of raising a Trading Dispute. This could preclude Disputes being raised and precedents agreed when the issue causing the problem could lead to a Dispute with a much larger materiality being raised in future. If errors are present with central settlements these should be raised as Disputes and the issue can then be resolved.</p>

Q	Question	Response	Rationale
5.	<p>Do you think a materiality criterion should be present at the rectification stage?</p> <p>If so should it be</p> <p>subjective e.g. TDC opinion</p> <p>objective e.g. £500 threshold?</p>	Yes	<p>For reasons of efficiency BGT support a materiality threshold being implemented at the rectification stage of the process. BGT believe the threshold should be fixed but it should be dependent upon the cost of rectifying the error. So it maybe necessary to have two different thresholds, the first for rectification by amending the data set for the next timetabled reconciliation run. The second criteria could relate to the cost of undertaking a post-final settlement run or an extra settlement determination.</p>
6.	<p>At what point do you believe a Party can claim to have detected a settlement error (see Consultation Document)</p> <p>internal emails highlighting error</p> <p>making a help desk call</p> <p>sending off Trading Query form</p> <p>other?</p>		<p>BGT's view is that all three examples referenced would qualify as legitimately detecting a settlement error. Historically internal emails and raising a help desk call have been viewed as evidence of detection. BGT support the continued use of that precedent, this will also prevent BSCCo being inundated with Trading Query forms. If options (a) and (b) are precluded then the only option available to BSC Party's to ensure they are not timed out will be to raise a form. If the error can then be resolved without a TDC determination the form will need to be withdrawn and this process will involve BSCCo. Enforcing Party's to raise Trading Query forms as proof of detection will introduce inefficiencies into the process.</p>
7.	<p>Do you believe that Parties should have to fulfil the criteria before TDC consider the existence of a settlement error?</p> <p>Please give rationale</p>	Yes	<p>BGT agree that Disputes should initially be considered against the criteria before the TDC decide if the Dispute qualifies as a valid settlement error. It would seem perverse for the TDC to spend time considering an issue, agreeing that there is a settlement error then disqualifying the claim for being raised too late.</p> <p>BGT believe this process will only work if the Panel consider appeals on the same grounds as the TDC. If the Panel disapply the criteria then it could lead to many of the TDC decisions being overturned. This in turn will undermine the TDC and could lead to a significant increase in the number</p>

Q	Question	Response	Rationale
			of decisions that are appealed.
8.	Do you believe that there should be a clause in the criteria that caters for exceptional circumstances? Please give rationale	No	<p>BGT in principle do not support the inclusion of exceptional circumstance criteria. This by nature will mean the TDC have to make subjective decisions and the view of the modification group appears to be that the decision making process should be objective rather than subjective.</p> <p>However BGT note the legal advice that states an exceptional circumstances clause should be included. If the group decided this was the difference between the modification being approved or rejected BGT would support the inclusion of the criteria. BGT would expect the exceptional circumstance criteria to be used in very limited cases.</p>
9.	Do you believe that Table 1 below contains an appropriate form for the criteria? Please give rationale and suggested alternative methods	No	<p>The table contains a wide range of areas and whilst the associated timeframes for metering data seem appropriate, the P/C status, GC/DC flags and the incorrect aggregation rules could be identified much sooner than the timeframes specified.</p> <p>BGT agree the timescales proposed for the other areas appear reasonable.</p>
10.	Are there any issues not identified in this report that you believe should be considered during the Assessment Procedure, should the Panel agree to submit P131 to the Assessment Procedure? Please give issues and rationale	No	
11.	Are there any further comments on P131 that you wish to make?	No	

P131_DEF_002 – Innogy

Respondent:	Mark Thomas
No. of BSC Parties Represented	9
BSC Parties Represented	Innogy Group (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	0
Non BSC Parties represented	
Role of Respondent	<i>Supplier/Generator/ Trader</i>

Q	Question	Response	Rationale
1.	Do you support the principle of P131 that the BSC should place obligations on Parties with regard to the detection and rectification of Trading Disputes? Please give rationale	Yes	There are obligations placed on Parties relating to data and information provided for Settlement U1.2.1 and the resolution of Trading Queries and Disputes W 1.6.1b, W 1.6.3. There are however no obligations placed on Parties with regard to detection.
2.	Do you agree that types of criteria should be based on timeliness and materiality? Please give rationale and any additional or alternative types of criteria	Yes	As the settlement process is based on a timed process eg SD + n days it is logical that criteria should be built around timeliness. To avoid disputes of a vexatious or frivolous nature (W 3.3.2) materiality should feature in the criteria to avoid cases where the cost of hearing and rectifying the dispute exceeds the value of the dispute.
3.	Do you think the same criteria that apply to all Parties should apply to ELEXON? Please give rationale	No	There is no obligation within the BSC for Elexon to check settlement output - obligations placed on Parties by Section U 'Provisions Relating to Settlement' do not include Elexon (U1.1.2).. Elexon have a view of the whole market and are in a position to raise disputes that disadvantaged Parties are not in a position to detect.

Q	Question	Response	Rationale
4.	Do you think that an initial materiality criterion should be set? If so should it be subjective e.g. TDC opinion objective e.g. £500 threshold?	Yes	b – Objective. A set materiality would be a good indicator of when a dispute can be raised. Post Final Disputes are time consuming to raise therefore a Party would require to know whether it is worth pursuing.
5.	Do you think a materiality criterion should be present at the rectification stage? If so should it be subjective e.g. TDC opinion objective e.g. £500 threshold?	Yes	b – Objective Yes to avoid disputes of a vexatious or frivolous nature (W 3.3.2) unless they are being heard as a point of principle and the payment is being waived.
6.	At what point do you believe a Party can claim to have detected a settlement error (see Consultation Document) internal emails highlighting error making a help desk call sending off Trading Query form other?		a – Internal emails highlighting error.
7.	Do you believe that Parties should have to fulfil the criteria before TDC consider the existence of a settlement error? Please give rationale	Yes	Requirement for clear guidelines explaining criteria.
8.	Do you believe that there should be a clause in the criteria that caters for exceptional circumstances? Please give rationale	Yes	There will always be exceptional circumstances whereby a dispute could not have physically been detected by the disadvantaged party. Need to avoid this being used as a catch all when the other criteria are not met.

Q	Question	Response	Rationale
9.	Do you believe that Table 1 below contains an appropriate form for the criteria? Please give rationale and suggested alternative methods	Yes	
10.	Are there any issues not identified in this report that you believe should be considered during the Assessment Procedure, should the Panel agree to submit P131 to the Assessment Procedure? Please give issues and rationale	No	
11.	Are there any further comments on P131 that you wish to make?	No	

P131_DEF_003 – NGT

Respondent:	<i>Name Paul Robinson</i>
No. of BSC Parties Represented	
BSC Parties Represented	National Grid Company Plc
No. of Non BSC Parties Represented	
Non BSC Parties represented	
Role of Respondent	Transmission Company

Q	Question	Response	Rationale
1.	Do you support the principle of P131 that the BSC should place obligations on Parties with regard to the detection and rectification of Trading Disputes? Please give rationale	Yes	To meet objective (d). Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.
2.	Do you agree that types of criteria should be based on timeliness and materiality? Please give rationale and any additional or alternative types of criteria	Yes	Objective criteria
3.	Do you think the same criteria that apply to all Parties should apply to ELEXON? Please give rationale	Yes	See question 8
4.	Do you think that an initial materiality criterion should be set? If so should it be subjective e.g. TDC opinion objective e.g. £500 threshold?	Yes	£500

Q	Question	Response	Rationale
5.	Do you think a materiality criterion should be present at the rectification stage? If so should it be subjective e.g. TDC opinion objective e.g. £500 threshold?	Yes	TDC opinion
6.	At what point do you believe a Party can claim to have detected a settlement error (see Consultation Document) internal emails highlighting error making a help desk call sending off Trading Query form other?		C - unambiguous
7.	Do you believe that Parties should have to fulfil the criteria before TDC consider the existence of a settlement error? Please give rationale	Yes	Efficient use of TDC time. Presumably the BSC analyst would determine if the criteria are met, before being presented to the TDC. If there was a disagreement the TDC would rule.
8.	Do you believe that there should be a clause in the criteria that caters for exceptional circumstances? Please give rationale	Yes	Experience has shown there can be a fundamental understanding / failure that may not be addressed within normal timescales. As determined by the TDC.
9.	Do you believe that Table 1 below contains an appropriate form for the criteria? Please give rationale and suggested alternative methods	No	Interconnectors – what data type is being referred to? No mention of BOD, PN data
10.	Are there any issues not identified in this report that you believe should be considered during the Assessment Procedure, should the Panel agree to submit P131 to the Assessment Procedure? Please give issues and rationale	No	

Q	Question	Response	Rationale
11.	Are there any further comments on P131 that you wish to make?	No	

P131_DEF_004 – Aquila Networks

Aquila Networks would like to return a response of 'No Comment' to P131 Definition Consultation.

Regards,

Deborah Hayward
Distribution Support Office &
Deregulation Control Group
Aquila Networks plc

P131_DEF_005 – YEDL/NEDL

Respondent:	<i>Jill Steven</i>
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>
Role of Respondent	<i>Duos Billing Manager for NEDL & YEDL</i>

Q	Question	Response	Rationale
1.	Do you support the principle of P131 that the BSC should place obligations on Parties with regard to the detection and rectification of Trading Disputes? Please give rationale	Yes / No	To facilitate the speedy identification and rectification of disputes
2.	Do you agree that types of criteria should be based on timeliness and materiality? Please give rationale and any additional or alternative types of criteria	Yes / No	This should help to ensure that emphasis is placed on the identification of the dispute and the materiality levels should ensure that time and effort is spent sensibly
3.	Do you think the same criteria that apply to all Parties should apply to ELEXON? Please give rationale	Yes / No	It is important for managing the procedure that when criteria are agreed upon they should be applied to all parties
4.	Do you think that an initial materiality criterion should be set? If so should it be subjective e.g. TDC opinion objective e.g. £500 threshold?	Yes / No	If a materiality criterion is set it is important that it is objective, so that everyone is aware of the situation

Q	Question	Response	Rationale
5.	Do you think a materiality criterion should be present at the rectification stage? If so should it be subjective e.g. TDC opinion objective e.g. £500 threshold?	Yes / No	
6.	At what point do you believe a Party can claim to have detected a settlement error (see Consultation Document) internal emails highlighting error making a help desk call sending off Trading Query form other?		b)
7.	Do you believe that Parties should have to fulfil the criteria before TDC consider the existence of a settlement error? Please give rationale	Yes / No	
8.	Do you believe that there should be a clause in the criteria that caters for exceptional circumstances? Please give rationale	Yes / No	There may be a situation when some form of arbitration process needs to be brought in
9.	Do you believe that Table 1 below contains an appropriate form for the criteria? Please give rationale and suggested alternative methods	Yes / No	
10.	Are there any issues not identified in this report that you believe should be considered during the Assessment Procedure, should the Panel agree to submit P131 to the Assessment Procedure? Please give issues and rationale	Yes / No	

Q	Question	Response	Rationale
11.	Are there any further comments on P131 that you wish to make?	Yes / No	

P131_DEF_006 – Scottish Power

Respondent:	Man Kwong Liu (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 Trading Ltd.; ScottishPower Generation Ltd; ScottishPower Energy Retail Ltd.; SP Transmission Ltd; SP Manweb plc.
No. of Non BSC Parties Represented	0
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	<i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state)</i> Supplier / Generator / Trader / Consolidator / Exemptable Generator / Party Agent

Q	Question	Response	Rationale
1.	Do you support the principle of P131 that the BSC should place obligations on Parties with regard to the detection and rectification of Trading Disputes? Please give rationale	Yes	This modification enables that all BSC Parties are committed to ensure Settlement is accurate within agreed timescales.

Q	Question	Response	Rationale
2.	Do you agree that types of criteria should be based on timeliness and materiality? Please give rationale and any additional or alternative types of criteria	Yes	This would ensure disputes are considered efficiently. Also we believe that the Disputes criteria contained in section 5.15 of BSCP11 should be retained, as in the main they remain relevant. We also think that the eventuality of Elexon raising disputes, to cater for exceptional circumstances should be allowed. For instance, Elexon raised the disputes relating to large erroneous EACs/AAs and D0235 exceptions, which were issues discovered through Elexon's monitoring of market participant performance.
3.	Do you think the same criteria that apply to all Parties should apply to ELEXON? Please give rationale	Yes	To ensure the integrity of the Settlement Process, ELEXON should have the same criteria applied. In particular, ELEXON should adhere to the strict timescales for the rectification of Trading Disputes, and to ensure that ELEXON strictly complies with its obligations under both the BSC and BSCP. This also prevents any Party from using Elexon as a back door route to raising a dispute later than they would otherwise be allowed to do.
4.	Do you think that an initial materiality criterion should be set? If so should it be subjective e.g. TDC opinion objective e.g. £500 threshold?	Yes	It should be objective (ie. clear guidelines set) rather than subjective (which at best is vague and is open to interpretation). The threshold itself could be as low as £500 for the TDC to address matters of principle. However, there should be a clear understanding that this does not preclude the rectification decision.
5.	Do you think a materiality criterion should be present at the rectification stage? If so should it be subjective e.g. TDC opinion objective e.g. £500 threshold?	Yes	It should be objective (i.e. clear guidelines set) rather than subjective (which is vague and is open to interpretation). The threshold should not be below the cost of producing a Post Final Settlement run (i.e. £2,500 approx). The only caveat to this could be were a BSC Party provides evidence that it will encounter financial difficulties (e.g. insolvency) without rectification.

Q	Question	Response	Rationale
6.	At what point do you believe a Party can claim to have detected a settlement error (see Consultation Document) internal emails highlighting error making a help desk call sending off Trading Query form other?	C)	It should be following confirmation from the ELEXON help desk of receipt of a Trading Query Form. The proposed timescales seem to allow sufficient time for the other internal investigations to have taken place prior to raising the Trading Query form.
7.	Do you believe that Parties should have to fulfil the criteria before TDC consider the existence of a settlement error? Please give rationale	Yes	If a dispute doesn't satisfy the criteria, the TDC should reject it at that point without considering whether or not a settlement error exists. It would not be an efficient process otherwise. However, it would be sensible to have a criterion that caters for "exceptional circumstances", which is what is suggested in the proposed answer to Q8. The TDC would then have the discretion to accept a dispute that failed to satisfy the other criteria and proceed to investigate the existence of a settlement error.
8.	Do you believe that there should be a clause in the criteria that caters for exceptional circumstances? Please give rationale	Yes	The process must be seen as 'reasonable' and must therefore cater for unforeseen circumstances. In other word, there is always the possibility of an exception to the rule (which may lead a future modification). The TDC should act as an arbitrator and provide a ruling on matters of principle. The raising party should also have the right to appeal such decisions to the BSC Panel.
9.	Do you believe that Table 1 below contains an appropriate form for the criteria? Please give rationale and suggested alternative methods	Yes	This gives the clarity to BSC Parties as to the cut off points for raising disputes. Timescales are in accordance with Mod P107.

Q	Question	Response	Rationale
10.	Are there any issues not identified in this report that you believe should be considered during the Assessment Procedure, should the Panel agree to submit P131 to the Assessment Procedure? Please give issues and rationale	Yes	Modification P107 addresses dispute timescales, which look likely to be adopted as part of a revised BSCP11 (if Mod P131 is approved). However, these timescales seem out of step with the required data retention periods, and as a result, data retention should be considerably reduced to say 28 months. We believe this should be a possible Alternative modification that should be assessed during the Assessment Procedure
11.	Are there any further comments on P131 that you wish to make?	Yes	<p>We believe that as well as timeliness in raising disputes, there should be some committed timescale for disputes to be resolved and rectified. This enables settlement to be finalised promptly and reduce the risk of non-payment from parties who may be insolvent during this long period. Such arrangement would better facilitates the achievement of the Applicable BSC Objectives(c) and (d).</p> <p>We also think that 28 months gives ample time for any disputes to be resolved.</p> <p>We do however agree that there would need to be some flexibility for special exceptional cases, at the discretion of the TDC or Panel.</p>

P131_DEF_007 – British Energy (late response)

Respondent:	<i>Martin Mate</i>
No. of BSC Parties Represented	<i>3</i>
BSC Parties Represented	<i>British Energy Power & Energy Trading Ltd, British Energy Generation Ltd, Eggborough Power Ltd</i>
No. of Non BSC Parties Represented	
Non BSC Parties represented	
Role of Respondent	<i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / Party Agent)</i>

Q	Question	Response	Rationale
1.	Do you support the principle of P131 that the BSC should place obligations on Parties with regard to the detection and rectification of Trading Disputes? Please give rationale	Yes	Incentives are required on parties to detect material errors and raise queries/disputes in a timely manner in order (a) to promote early accuracy of settlement for other participants (BSC competition and efficiency objectives) and (b) to avoid costs to the industry of a prolonged settlement process (BSC efficiency objective). Without criteria, there is a risk that parties will not act promptly to draw settlement to a close.
2.	Do you agree that types of criteria should be based on timeliness and materiality? Please give rationale and any additional or alternative types of criteria	Yes	Timeliness criteria, according to ease with which the error ought to be identified, to promote early accuracy of settlement for the industry as a whole and allow the correction process to be conducted in an efficient manner (BSC competition and efficiency objectives). Materiality criteria, to avoid loading the dispute process with large numbers of small disputes whose materiality is outweighed by the cost of consideration and correction (BSC efficiency objective).
3.	Do you think the same criteria that apply to all Parties should apply to ELEXON? Please give rationale	Yes	Unless Elexon are bound in the same way as parties, the criteria may be bypassed. The principle should be that if the error is not detected within the time specified by the code, or is below the materiality specified by the code, it becomes an accepted error in settlement. This does not preclude

Q	Question	Response	Rationale
			correction for dates which do lie within timeliness criteria, and correction of any root cause for the future.
4.	Do you think that an initial materiality criterion should be set? If so should it be subjective e.g. TDC opinion objective e.g. £500 threshold?	Yes	Objective criterion, but because the materiality will necessarily be an estimate, some leeway is required for TDC discretion around the precise value set. Subjective criteria could be vulnerable to decisions which could be argued to be arbitrary and discriminatory and therefore subject to challenge. Such challenges would reduce the efficiency of the dispute process.
5.	Do you think a materiality criterion should be present at the rectification stage? If so should it be subjective e.g. TDC opinion objective e.g. £500 threshold?	Yes	Ideally, the cost of rectification would be considered in deciding whether to rectify an error. However, the comprehensive menu of prices which would be required to cover all cases is probably impractical to procure, and there may be cases where it is expensive to correct an error but unreasonable not to make the correction. A practical compromise could be: If rectification is possible by straightforward rectification in the Initial or next Reconciliation Settlement Run, then do so. If rectification requires an Extra Settlement Determination or Post Final Settlement Run or some manipulation of data or systems not covered by normal procedures, for which BSC service providers may charge extra, then apply an objective [eg. £500/dispute threshold], with the proviso that because the materiality before correction is necessarily an estimate, some leeway is required by the TDC. Subjective criteria could be vulnerable to decisions which could be argued to be arbitrary and discriminatory and therefore subject to challenge. Such challenges would reduce the efficiency of the dispute process.
6.	At what point do you believe a Party can claim to have detected a settlement error (see Consultation Document) internal emails highlighting error		(b),(c),(d). A help desk call, query or dispute notified to a BSC Party Agent, a BSC Agent, or BSC itself, for which some form of corroborated evidence must be available. This will provide incentive for a party to ensure it's call/query is acknowledged.

Q	Question	Response	Rationale
	making a help desk call sending off Trading Query form other?		
7.	Do you believe that Parties should have to fulfil the criteria before TDC consider the existence of a settlement error? Please give rationale	No	The existence of a Settlement Error is a separate matter from the issue of whether the Settlement Error has insufficient materiality to warrant correction, or whether the Settlement Error has not been detected sufficiently early to be corrected. Ie. A Settlement Error will become permanent if the criteria are not met. I suspect it will be relatively easy to identify Settlement Errors in most cases, but if the criteria are not met the TDC should not be bound to consider whether a Settlement Error exists.
8.	Do you believe that there should be a clause in the criteria that caters for exceptional circumstances? Please give rationale	No	"Exceptional Circumstances" are subjective, and create uncertainty for parties collectively. The consideration of "exceptional circumstances" is likely to be time-consuming and expensive.
9.	Do you believe that Table 1 below contains an appropriate form for the criteria? Please give rationale and suggested alternative methods	Yes	The form seems appropriate, although the numbers should be open to further discussion.
10.	Are there any issues not identified in this report that you believe should be considered during the Assessment Procedure, should the Panel agree to submit P131 to the Assessment Procedure? Please give issues and rationale	Yes	The BSC audit threshold is inextricably linked to the level of accuracy which Settlement seeks to achieve. Settlement Errors still existing long after the day of energy delivery and which would cause the audit threshold to be exceeded are currently requiring considerable cost and effort in the form of Post-Final Settlement Runs, with the possibility of Extra Settlement Determinations after that. The audit threshold should be reviewed taking into account the costs of facilitating corrections after the Final Reconciliation (which was intended and designed to be the final settlement in normal circumstances). If the pursuit of accuracy consistent with audit thresholds exceeds the benefits to participants as a whole, then the audit threshold should be increased accordingly.

Q	Question	Response	Rationale
			Supplier charges are another incentive on supplier parties to procure a timely and accurate settlement. Unfortunately they have not been entirely successful in achieving required levels for Final Reconciliation, and if those levels are still considered desirable, perhaps the charges need to be revisited to increase incentives.
11.	Are there any further comments on P131 that you wish to make?	Yes	I look forward to seeing itemisation of the costs of correcting errors using Extra Settlement Determination and Post-Final Settlement methods. These costs need to be considered when setting materiality thresholds for correction of Settlement Errors requiring such methods, and in considering whether the audit threshold is set at the right level.