

Responses from P125 Draft Report Consultation

Consultation issued 19 June 2003

Representations were received from the following parties:

No	Company	File Number	No. BSC Parties Represented	No. Non-Parties Represented
1.	NGT	P125_DR_001	1	0
2.	EDF Energy	P125_DR_002	9	1
3.	British Gas Trading	P125_DR_003	1	0
4.	Scottish Power	P125_DR_004	6	0
5.	Aquila Networks	P125_DR_005	1	0

P125_DR_001 – NGT

Respondent:	<i>Name National Grid Transco</i>
No. of BSC Parties Represented	One
BSC Parties Represented	<i>Please list all BSC Parties responding on behalf of (including the respondent company if relevant). National Grid</i>
No. of Non BSC Parties Represented	None
Non BSC Parties represented	<i>Please list all non BSC Parties responding on behalf of (including the respondent company if relevant). N/A</i>
Role of Respondent	<i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state) BSC Party</i>

	Question	Response	Rationale
1.	Do you agree with the Panel's views on P125 and the provisional recommendation to the Authority contained in the draft Modification Report that P125 should be made? Please give rationale.	Yes	We agree with the BSC Panel that implementation of P125 would better facilitate Applicable BSC Objective (c). We support the rationale that a Scottish Interconnector BM Unit has the same impact on transmission losses in England & Wales as any other BM Unit connected at the same node.
2.	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	We believe that the proposed legal text addresses the defect.
3.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P125? Please give rationale.	Yes	We agree that adopting the same implementation date as P82 is sensible and pragmatic.
4.	Are there any further comments on P125 that you wish to make or any impacts you believe have not been highlighted?	No	

P125_DR_002 – EDF Energy

Respondent:	Russell Hill
No. of BSC Parties Represented	9
BSC Parties Represented	EDF Energy plc, London Electricity plc, Jade Power Generation Ltd, Sutton Bridge Power Ltd, West Burton Power, London Power Networks plc, EPN Distribution Ltd, Seeboard Power Networks plc, Seeboard Energy Ltd,
No. of Non BSC Parties Represented	1 (this is a BSC Party Agent)
Non BSC Parties represented	ECS Metering & Data Services
Role of Respondent	Supplier / Generator / Party Agent / Distribution Business

	Question	Response	Rationale
1.	Do you agree with the Panel's views on P125 and the provisional recommendation to the Authority contained in the draft Modification Report that P125 should be made? Please give rationale.	Yes	EDF Energy believes that P125 better facilitates the achievement of Applicable BSC Objective (c) "Promoting effective competition..." as it would ensure that similar costs would be allocated to all BM Units connected to the terminal nodes of the Scottish Interconnector. EDF Energy therefore agrees with the Panel's recommendations within the report that the modification should be implemented.
2.	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	EDF Energy agrees with the Panel's view that the appropriate changes have been made to Section T of the BSC and the new legal text addresses the issues identified in the modification proposal.
3.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P125? Please give rationale.	Yes	EDF Energy agrees with the recommendation of the Panel that the implementation date of P125 should be aligned with that of P82, providing a decision is received before 15th August 2003. Due to the annual cycle of the loss arrangements the most effective and efficient way to implement P125, if a decision is received after this date, is a year later this causes the least amount of disruption to all participants.

	Question	Response	Rationale
4.	Are there any further comments on P125 that you wish to make or any impacts you believe have not been highlighted?	Yes	The above comments are made without reference to the issues relating to the continued development of P82 and the outcome of modification P134, which may affect the validity of this modification.

P125_DR_003 – British Gas Trading

Modification Proposal 125: Apportionment of the Scottish Interconnector Flows to the Northern and North Western GSP Groups for the purposes of Calculating Losses

British Gas Trading welcome the opportunity to comment on the draft Final Modification Report on Modification Proposal 125: *Apportionment of the Scottish Interconnector Flows to the Northern and North Western GSP Groups for the purposes of Calculating Losses*.

We do not support this proposal as we believe the current arrangements, as described by P82, are those which best facilitate the applicable BSC objectives. Average zonal transmission losses introduced by P82 sought to impose appropriate costs on demand and generation that more accurately reflect their geographical location. This must also extend to the flows through the interconnector. Although it is argued that the terminal nodes are located the North and North Western Zones and so the losses allocated to the interconnector should reflect this, the generation is not located there. A 13th zone reflects these facts and a separate zone with individually calculated loss factor should be maintained.

During the extended assessment of P82 neither the proposer nor other users raised this issue. If the discrimination faced by interconnector flows is so evident it is surprising that it was not picked up during P82 Assessment.

We note there is a risk of Elexon missing the publication of 1 December should the Authority fail to make a decision on the modification proposal by 15 August. We trust that the Authority will take this restricted timescale into account and make a rapid decision. It is essential that there is no delay to the publication of the TLFs for 2004.

We agree that should there be no decision by the 15 August 2003, the implementation of P125 should be deferred until 2005. We note that all consultees in the Assessment consultation agreed with the original 1 April 2004 implementation date. We support this implementation date as it is most efficient to implement P125 with P82. However, we believe larger inefficiencies will result if the 1 December publication date will be missed. With this in mind we encourage the Authority to make a decision expediently.

Yours faithfully

Danielle Lane

Contracts Manager

P125_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 / Interconnector Administrator

	Question	Response	Rationale
1.	Do you agree with the Panel's views on P125 and the provisional recommendation to the Authority contained in the draft Modification Report that P125 should be made? Please give rationale.	<i>Yes</i>	<i>We agree with the Panel's view that the current differential treatment of Scottish Interconnector BM Units would have a financial impact. We agree with their conclusion that, to avoid distortion of competition, all BM Units attached to the same nodes ought to be treated similarly for the purpose of calculating and assigning TLFs. We agree with the Panel's provisional recommendation that the Modification should be made in order that achievement of Applicable Objective (c) "Promoting effective competition in the generation and supply of electricity" will be better facilitated.</i>
2.	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	<i>Yes</i>	<i>By assigning to the Scottish Interconnector BM Units an Adjusted Annual Zonal TLF derived by weighting the Zonal TLFs for the nodes at which the Interconnector circuits terminate and by incorporating the identification and weighting of those zones in the Network Mapping Statement the legal text correctly addresses the defects identified in the Modification Proposal.</i>

	Question	Response	Rationale
3.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P125? Please give rationale.	<i>Yes</i>	<i>Given the annual nature of the TLFA's process we agree with the Panel's recommendation for implementation on 1 April. In order to avoid operating the BSC for one year with the acknowledged distortive effects of the current treatment of the Scottish interconnector BM Units we would request that the Panel urge the Authority to ensure that a decision is announced on this modification by 15 August 2003.</i>
4.	Are there any further comments on P125 that you wish to make or any impacts you believe have not been highlighted?	<i>Yes</i>	<i>ScottishPower's comments in relation to P125 are without prejudice to the Application for Judicial Review of the Authority's decision in relation to Modification Proposal P82.</i>

P125_DR_005 – Aquila Networks

Please find that Aquila Networks Plc response to P125 Consultation on draft Modification Report is 'No Comment'.

regards
Rachael Gardener

Deregulation Control Group &
Distribution Support Office
AQUILA NETWORKS