

Modification P107: Data Retention Requirements for Post-Final Trading Dispute – Assessment Consultation 2

Overview

P107 was raised by SSE Energy Supply Limited on 30 October 2002, and the Initial Written Assessment was considered by the Panel at its meeting of 14 November 2002, where the Panel agreed to submit P107 to a three month Assessment Procedure.

P107 seeks to revise the cut-off points for raising a Post Final Trading Query / Trading Dispute and undertaking the Post-Final Settlement Run and Extra Settlement Determination. In addition, P107 seeks to include specific data retention obligations in support of the Post-Final Trading Disputes process (and consequently appropriate data transfer requirements on change of Party Agent).

On the basis that P107 may impact the majority of the industry and is a governance related Modification Proposal, it is being progressed by the Governance Standing Modification Group (GSMG) (with appropriate expertise being provided by the Settlement Standing Modification Group (SSMG), the Volume Allocation Standing Modification Group (VASMG) and the Trading Dispute Committee (TDC)).

The GSMG met on 22 November 2002, during which time the initial requirements of the Modification Proposal were determined and agreed. Consultation on these requirements was conducted between 13 December 2002 and 10 January 2003 using version 1.0 of the Requirements Specification for P107 (P107AS).

The GSMG met on 14 January 2003 to review the consultation responses. Following analysis of the responses to the initial consultation the requirements of the Modification Proposal were refined. The GSMG agreed that a further consultation on the refined requirements should be conducted. In addition, the GSMG agreed that a parallel Detailed Level Impact Assessment should be undertaken.

Summary of Requirements

For full details of the requirements of P107 please refer to version 2.0 of the Requirement Specification for P107 (P107AS). A summary of the requirements outlined in the Requirement Specification is included below:

- Cut off timescale for raising Trading Queries¹ to be shortened from 36 to 20 months after the Settlement Day.
- Cut off for performing Settlement Runs reduced from 36 months to 28 months after the Settlement Day to which they relate (Code Section U2.2.4). Such that beyond 28 months, Trading Disputes would be resolved via Extra Settlement Determination. It should be noted that an Extra Settlement Determination can also occur within the Settlement timetable; there is no proposal to amend this.

¹ Disputes are first raised as Trading Queries and are then escalated to Trading Dispute status at the request of the Raising Party and therefore submission of the Trading Query is required within 20 months of the Settlement Day to which it relates.

- The power of the Panel to authorise Settlement Runs beyond the normal cut-off (28 months under P107) is removed. Thereafter Trading Disputes would be resolved via Extra Settlement Determination.
- Parties and Party Agents will be required to retain 28 months of Settlement data such that they are capable of supporting a Settlement Run up to 28 months after the Settlement Day to which it relates. This will require data to be maintained for 28 months in the live operational environment.
- Thereafter there will be a requirement for Parties and Party Agents to retain Settlement data in an appropriate manner (i.e. live operational environment or archive) for a further 12 months in a format that can be used in the resolution of Trading Disputes via an Extra Settlement Determination. Where archiving is to be employed, all the relevant Settlement data that had been maintained for the previous 28 months would be required to be archived.
- BSC Agents, specifically the Central Data Collection Agent (CDCA), Supplier Volume Allocation Agent (SVAA), Energy Contract Volume Aggregation Agent (ECVAA), Funds Administration Agent (FAA), Settlement Administration Agent (SAA) and the Central Registration Agent (CRA) will be required retain at least 28 months of Settlement data, such that they are capable of supporting a Settlement Run for up to 28 months after any Settlement Day to which such Run relates. Thereafter there will be a requirement to store the Settlement data for at least 12 months in a format that can be used in the resolution of Trading Disputes via an Extra Settlement Determination. It is intended that this minimum be introduced in support of the Trading Disputes timetable proposed under P107. It should be noted that BSCCo's actual contractual arrangements with BSC Agents might exceed these minimum requirements if it considered necessary (for example to fulfil requirements outside the Trading Disputes process).
- There is no further obligations proposed on those BSC Agents that are not listed above. For example, the requirement for the BMRA to retain Settlement data for 12 months is unchanged (Code Section V).
- BSCCo will advise the industry where a Trading Dispute is unlikely to be resolved within 40 months of the Settlement Day to which it relates. In such circumstances, there may be a requirement to retain additional specific amounts of Settlement data.
- Resolution of P6 claims relating to Erroneous Contract Notifications will not be prejudiced by P107.
- Resolution of the large Estimated Annual Consumptions / Annualised Advances will not be prejudiced by P107.
- Any requirements placed on market participants will not replace any statutory obligations. For example financial information may still need to be retained for seven years for tax purposes.
- P107 is to be implemented on a Settlement Day rather than Calendar Day basis.
- On implementation, Parties will be given a three month opportunity to raise any Trading Queries that relate to Settlement Days between 20 and 36 months old.

Consultation

The GSMG has identified a set of questions aimed at obtaining information which is relevant to the consideration and assessment of P107. Respondees are requested to provide as much detail in the responses as is possible, as the GSMG believe that responses to these questions address the key issues associated with P107. **It should be noted that the results of this consultation will be considered on strength of argument rather than the number of responses.**

P107 ASSESSMENT CONSULTATION 2

Respondees are invited to provide their response on the questions below. This consultation is supported by version 2.0 of the Requirements Specification for Modification Proposal P107 (P107AS).

Respondent:	<i>Name</i>
Responding on Behalf of	<i>Please list all Parties / non-Parties / Party Agent responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent	<i>(BSC Party / non-Parties / Part Agent Other (Please specify))</i>

No	Question	Response	
		Response Yes/No	Rationale
Q1	Do you consider that the refined solution for P107 better facilitates the Applicable BSC Objectives:		
	'(c) Promoting effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity'?		
	'(d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements'?		

No	Question	Response	
Q2	<p>Do you agree that there should be a cut off for Settlement Runs such that no Settlement Run can be performed more than 28 months after the Settlement Day to which it relates (including removal of the Panel's power to authorise Settlement Runs beyond the normal cut-off)?</p> <p>(If not please specify an alternative approach)</p>	Response Yes/No	Rationale:
Q3	<p>Do you agree that Parties and Party Agents should be obliged to retain 28 months of Settlement data such that they can support a Dispute Final Settlement Run up to 28 months after the Settlement Day to which such Run relates (i.e. in the live operational environment)?</p> <p>(If not please specify an alternative approach)</p>	Response Yes/No	Rationale:
Q4	<p>Do you agree that after 28 months, Parties and Party Agents should be obliged to retain Settlement data such that it can be used in the resolution of Trading Disputes via an Extra Settlement Determination? (Where it has been necessary to maintain Settlement data in the live operational environment in support of Settlement Runs for the previous 28 months it will be possible to either move this data to archive or use the live operational environment for a further 12 months)</p> <p>(If not please specify an alternative approach)</p>	Response Yes/No	Rationale:

No	Question	Response	
Q5	Do you agree that, where data is to be retained in support of an Extra Settlement Determination (i.e beyond 28 months after the Settlement Day) via archive, this Settlement data should be a complete copy of the live operational environment data, or should the archived data be a sub-set of the live operational environment data items required to support Extra Settlement Determinations?	Response Complete Copy / Subset	Rationale:
	– If you believe archived data should be a sub-set of the Settlement data stored in the live operational environment, should this sub-set be prescribed or left under the control of Parties/Party Agents?	Response Prescribed / Subset	
	– If you believe that the type of data to be archived should be a prescribed sub-set of the data from the live operational environment, please specify the type of data that should be retained?	--	
Q6	If you have previously been involved in a Trading Dispute that was not resolved during the Settlement timetable (by 14 months after the Settlement Day), what kinds of data have you provided to the TDC?	--	
Q7	Do you agree that the costs associated with specifying a minimum archiving frequency outweigh the benefits of a potential increase in the accuracy of Settlement data entering the Trading Disputes process and that therefore it is not necessary to specify the frequency of archiving? (If you believe it is necessary to specify the frequency of archiving, please specify the preferred frequency e.g. monthly, weekly, daily)	Response Yes/No	Rationale:

No	Question	Response	
Q8	Do you agree that the transfer of data (MOAs and DCs) should relate to live operational data only (I.e. the latest 28 months Settlement Data) or should this also include the additional 12 months Settlement data used to support Extra Settlement Determination?	Response 28 months only /All 40 months	Rationale:
Q9	Do you agree that if P107 is approved, Parties should be given a three month period to raise any Trading Queries / Trading Disputes that relate to Settlement Days between 20 and 36 months prior to the Implementation Date (i.e. the same amnesty period given at NETA Go-Live)?	Response Yes/No	Rationale:
Q10	Do you have any other comments or issues?	Comments:	

Please send your responses by **15:00 on 03 February 2003** to the following email address: Modifications@elexon.co.uk

Please entitle your email 'P107 Consultation 2'.

Any queries on the content of the consultation should be addressed to Tom Bowcutt (020 7380 4309, thomas.bowcutt@elexon.co.uk).