



JANUARY 2003

Assessment Consultation

MODIFICATION PROPOSAL P106

**AMENDEMENT TO THE BSC TO ALLOW MULTIPLE
SUPPLIER IDS**

Prepared by the VASMG

Document Reference	P106AC
Version no.	1.0
Issue	Final
Date of Issue	14 January 2003
Reason for Issue	Consultation
Author	ELEXON Limited

I DOCUMENT CONTROL

a Authorities

Version	Date	Author	Signature	Change Reference
0.1	07/01/03	K R Campion		Initial Draft
0.2	10/01/03	J. Lucas, K R Campion		Modification Group Review
1.0	13/01/03	J. Lucas, K R Campion		Issued for consultation

Version	Date	Reviewer	Signature	Responsibility
0.1		J. Lucas		Peer review
0.2		VASMG		Modification Group Review
1.0		K. Campion		Final review

b Distribution

Name	Organisation
Each BSC Party	Various
Each BSC Agent	Various
The Gas and Electricity Markets Authority	Ofgem
Each BSC Panel Member	Various
energywatch	energywatch
Core Industry Document Owners	Various

c References

Ref.	Title	Owner	Issue date	Version
1	Modification Proposal P106			1.0
2	P106 Initial Written Assessment	ELEXON		1.0
3	P106 Requirements Specification	ELEXON		1.0
4	SVA Data Catalogue, Volume 2: Data Items	ELEXON	28/11/02	5.0

d Intellectual Property Rights and Copyright

This document contains materials the copyright and other intellectual property rights in which are vested in ELEXON Limited or which appear with the consent of the copyright owner. These materials are made available for you to review and to copy for the purposes of the establishment, operation or participation in electricity trading arrangements in Great Britain under the BSC. All other commercial use is prohibited. Unless you are a person having an interest in electricity trading in Great Britain under the BSC you are not permitted to view, download, modify, copy, distribute, transmit, store, reproduce or otherwise use, publish, licence, transfer, sell or create derivative works (in whatever format) from this document or any information obtained from this document otherwise than for personal academic or other non-commercial purposes. All copyright and other proprietary notices contained in the original material must be retained on any copy that you make. All other rights of the copyright owner not expressly dealt with above are reserved.

II CONTENTS TABLE

I	Document Control	2
a	Authorities.....	2
b	Distribution.....	2
c	References.....	2
d	Intellectual Property Rights and Copyright.....	2
II	Contents Table	3
1	Summary	4
1.1	Structure of Document.....	4
2	Background	4
3	The Proposed Modification	5
3.1	Scenarios Included Within Scope of P106.....	5
3.2	Scenarios Excluded From Scope of P106.....	6
4	Assessment Issues	7
4.1	Costs / Impacts.....	7
4.1.1	Impact on the Code.....	7
4.1.2	Impact on Code Subsidiary Documents.....	7
4.1.3	Impact on Central Registration Agent.....	7
4.1.4	Impact on Data Volumes.....	8
4.1.5	Impact on BSC Parties.....	8
4.2	Change of Supplier Id.....	8
4.3	Assessment Against BSC Objectives.....	8
4.4	Cost Recovery and Limits on Numbers of Supplier Ids.....	9
Annex 1	Supplier Ids Currently Defined in CRA	10
Annex 2	Possible Changes to BSC Systems	11
Annex 3	Possible Changes to The Code	13
Annex 4	Consultation Questions	15

1 SUMMARY

The purpose of this document is to provide context and supporting information on the issues being considered by the Volume Allocation Standing Modification Group (VASMGM) during its assessment of Modification Proposal P106 'Amendment to the BSC to Allow Multiple Supplier Ids' (P106). It is intended that this document be used as a basis for responding to the attached consultation questions. This consultation seeks to obtain market participants' views on whether P106 better facilitates achievement of the Applicable BSC Objectives.

This document sets out the interpretation of and implementation method for the Proposed Modification P106. It also provides details of the VASMGM discussions on the issues surrounding the assessment of P106.

Market participants are asked to review the issues presented in this document and respond to the questions in Annex 4, in order to assist the VASMGM in reaching a recommendation for the Proposed. Market Participants are asked to provide a response by 17:00 on Friday 24 January 2003.

1.1 Structure of Document

The document is structured as follows:

- Section 2 provides background to P106;
- Section 3 describes the Proposed Modification, and its impact on Code Subsidiary Documents; and
- Section 4 provides a summary of the assessment issues considered by the VASMGM and also gives details of the VASMGM views on assessment against the Applicable BSC Objectives.

In addition, the document has four Annexes, as follows:

- Annex 1 is a list of the Supplier Ids currently used by each Supplier;
- Annex 2 describes changes to registration processes which it may be appropriate to implement in association with P106 (as described in section 4.1.3 of this document);
- Annex 3 provides an overview of the legal drafting changes required for P106; and
- Annex 4 contains the consultation questions to be answered by market participants.

2 BACKGROUND

The Modification Proposal P106 was raised by British Gas Trading on 25 October 2002, and the Initial Written Assessment for P106 (Reference 2) was considered by the Balancing and Settlement Code Panel ('the Panel') at its meeting of 14 November 2002. The Panel agreed to submit P106 to the Assessment Procedure to be conducted by the Volume Allocation Standing Modification Group (VASMGM). The Panel agreed that an Assessment Report would be presented to them at their meeting on 13 February 2003.

P106 relates to the use of data item 'Supplier Id' in the process of Supplier Volume Allocation (SVA). This data item is described in the SVA Data Catalogue (reference 4) as follows:

The unique market wide reference for a Supplier of electricity. A supplier is an organisation with a Supply License. A licensed supplier may supply customers as defined in his PES or second tier supply license. Suppliers with license exemptions may not supply metering systems registered in SMRS.

The Supplier Id takes the form of a four-character identifier (e.g. 'SEEB' for Seeboard Energy Ltd)¹. This data item is used to identify a particular Supplier in the computer systems operated by Supplier Meter

¹ Information in this consultation document relating to the Party Ids and Supplier Ids of specific BSC Parties is derived from the registration data published on the ELEXON website (www.elexon.co.uk).

Registration Agents and other SVA participants. It should be noted that this Supplier Id is not the same as the Party Id used to identify BSC Parties in the NETA central systems. For example:

- British Gas Trading Limited has a single Party ('BRITGAS') which is used to identify that company in the NETA central systems. The Balancing and Settlement Code does not allow a BSC Party to have more than one Party Id², and P106 does not propose to change this.
- However, certain Suppliers do use more than one Supplier Id. British Gas Trading Limited, for example, uses Supplier Ids 'BGAS' and 'ENRD'³.

Annex 1 to this document contains a list of the Supplier Id(s) used by each BSC Party.

3 THE PROPOSED MODIFICATION

Although a number of Suppliers do have more than one Supplier Id, the Balancing and Settlement Code ('the Code') is currently unclear on the conditions under which this practice is allowed. Although nothing in the Code explicitly forbid a Supplier from having more than one Supplier Id, certain sections of the Code could be read as implying a single Supplier Id per Party. For example:

- Table X-5 states that a 'Z' subscript (as used in Section S of the Code) identifies a particular Supplier (i.e. a particular BSC Party). This implies, for example, that metered volumes passed from Data Aggregators to the Supplier Volume Aggregation Agent (SVAA) should be aggregated to the Supplier level. In fact, however, SVA processes are designed to aggregate to the level of the Supplier Id, not the Supplier. It could be argued, therefore, that SVA processes are inconsistent with the Code in the case where a Party has more than one Supplier Id.
- Section K3.3.5 of the Code defines a 'Base BM Unit' as being the single BM Unit per Supplier and GSP Group that is automatically registered when a Party registers itself as a Supplier. This definition does not make any allowance for a Supplier having more than one Base BM Unit in a GSP Group. However, any Supplier with multiple Supplier Ids will also have multiple Base BM Units per GSP Group.

Because of this lack of clarity in the Code, it is currently unclear whether Parties should be allowed to register multiple Supplier Ids. P106 proposes that it would be beneficial to clarify the Code in order to resolve this uncertainty.

3.1 Scenarios Included Within Scope of P106

Following discussion of the Initial Written Assessment for P106, the VASMG agreed that there were two broad categories of situation in which multiple Supplier Ids might be used:

- **Scenario (a)** is any sort of merger, take-over or asset sale that leads one Supplier to acquire the Supplier Id of another, hence acquiring multiple Supplier Ids. This process is catered for within the Central Registration Agent (CRA) systems by a Change of BM Unit Ownership (COBO) that transfers ownership of Supplier BM Units from one BSC Party to another. It should be noted that the transfer takes effect from a given date in the future i.e. historical liabilities are not transferred.
- **Scenario (b)** is any use of multiple Supplier Ids to meet internal Supplier business requirements. This would typically be for the purposes of identifying customer groups (e.g. separate Supplier Ids for Half

² Modification Proposal P57, raised by British Gas Trading Limited on 3 December 2001, proposed to relax this rule. However, Ofgem decided (on 12 June 2002) that this change should not be made.

³ Supplier Id 'ENRD' was originally used by Enron Direct, but was transferred to British Gas Trading Limited in December 2001 when they purchased Enron Direct's major supply business assets from the company's administrators. As discussed in section 3 of this document, a transfer of assets such as this is one of the situations that potentially leads to a BSC Party acquiring multiple Supplier Ids.

Hourly and non Half Hourly customers, or separate Supplier Ids for different brands managed by a single Supplier).

In practice, instances of both these scenarios have taken place since NETA Go-Live. Annex 2 of this report contains information on the processes used by the Central Registration Agent (CRA) to register multiple Supplier Ids under each of these scenarios.

For reasons described in section 4.3 of this report, the VASMG is proposing that the BSC should be clarified to allow scenario (a), but disallow scenario (b). It will be possible to transfer Base BM Units from one Party to another, but it will not be possible for a Party to request additional Supplier Ids for their own purposes. (Note that this restriction will not be applied retrospectively i.e. the small number of Parties who already have multiple Supplier Ids will be permitted to keep them, regardless of how they were acquired).

3.2 Scenarios Excluded From Scope of P106

As described in section 3.1 above, the Code does not in general contain explicit provisions for one BSC Party taking over the Supplier Id and associated Supplier BM Units of another BSC Party. The exception to this is Section K7 of the Code ('Failing Supplier Process'), which does support the transfer of BM Units from one Party to another under the following very limited circumstances:

- Appointment of a Supplier of Last Resort by Ofgem; or
- A Party becomes in Default of the Code for one of the reasons defined in Section H3.1.1(g):
 - (i) the Defaulting Party suspends payment of its debts or admits its inability to pay its debts as they fall due;
 - (ii) the Defaulting Party is unable to pay its debts (within the meaning of Section 123(l) or (2) of the Insolvency Act 1986, but subject to paragraph 3.1.2), or any voluntary arrangement is proposed in relation to it or it enters into any composition or scheme of arrangement (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or
 - (iii) the Defaulting Party has a receiver of the whole or any material part of its assets or undertaking appointed; or
 - (iv) the Defaulting Party has an administration order under Section 8 of the Insolvency Act 1986 or a winding-up order made in relation to it; or
 - (v) the Defaulting Party passes any resolution for winding-up (other than for the purpose of a bona fide solvent reconstruction or amalgamation); or
 - (vi) a petition is presented or legal proceedings are commenced for making an administration order in relation to, or for the winding up or dissolution of, the Defaulting Party (other than a petition which is vexatious or frivolous and is, in any event, discharged within 21 days of presentation and before it is advertised);

The VASMG recognised that the Failing Supplier Process has already been consulted on extensively, and is intended to address a number of issues that do not arise in the case of other transfers of BM Units. The VASMG therefore proposes that the transfer of BM Units from a Failing Supplier to another BSC Party should be regarded as falling outside the scope of P106, and should continue to be governed by the existing provisions of Section K7.

For the avoidance of doubt, it should be noted that the following are also outside the scope of this Modification Proposal.

- Any process for retrospectively transferring liabilities from one Party to another (in order to support sale of assets including all historic liabilities).

- Transfer of a subset of the customers associated with a Supplier Id (e.g. a single BM Unit, or all Half Hourly customers, or all domestic customers) from one Party to another.

4 ASSESSMENT ISSUES

4.1 Costs / Impacts

As part of the P106 Assessment Procedure, the VASMG has issued a Requirements Specification (Reference 3) for High Level Impact Assessment (HLIA). This section outlines the impact of P106, based on the results of that HLIA.

4.1.1 Impact on the Code

Legal drafting for P106 will be carried out in parallel with this consultation, so a definitive statement of the impact of P106 on the Code is not yet available. However, in order to assist participants in answering the consultation questions, a provisional assessment of the impact of P106 on the Code is contained in Annex 3 to this document.

4.1.2 Impact on Code Subsidiary Documents

Changes will be required to BSCP65 ('Registration of Parties and Exit Procedures') and BSCP15 ('BM Unit Registration'), including the following:

- Section 3.1 of BSCP65 describes the process of Party Registration. This would require minor changes if it were decided to allow scenario (b), in order to clarify that a Party may register multiple Supplier Ids.
- Section 3.2 of BSCP65 describes the process for changing a Party's registration data. This would need updating to include changes to a Party's Supplier Id(s).
- Section 3.3 of BSCP15 describes the process for notification of a new Supplier and Base BM Unit Ids. This would require minor changes if it were decided to allow scenario (b), in order to clarify that a Party may register multiple Supplier Ids.
- Currently BSCP15 only allows Base BM Units to be de-registered when a Party ceases to be a Supplier. Changes may be required to cover the case where a Party has ceased to use one of its Supplier Ids, but continues to use the others.

In addition, some terminology changes may be required to SVA BSC Procedures to clarify the distinction between a Supplier and a Supplier Id.

4.1.3 Impact on Central Registration Agent

As described in Annex 2 to this report, the Central Registration Agent (CRA) is able to cater for multiple Supplier Ids under both scenario (a) and scenario (b). However, this requires manual workarounds to be operated, and these do have a number of disadvantages:

- In the case of scenario (b), they require the creation of a dummy BSC Party on the CRA system. This should have no impact on the settlement process, because once the required Base BM Units have been created and transferred to the correct Party, the end dates for the dummy Party can be set to ensure that Party is not active on any Settlement Day. There is however a risk that if this manual process is not completed correctly, the dummy Parties may appear on settlement reports, or even acquire liabilities for BSC Charges.
- Under scenarios (a) and (b), the workarounds ensure that the Base BM Units are assigned to the correct Party. However, the actual Supplier Id is not assigned to the correct Party. This has no

impact on the day-to-day operation of the settlement process, but would significantly complicate the process of creating new Base BM Units, should a new GSP Group ever be required.

The CRA has provided an assessment of the cost of enhancing the system to handle multiple Supplier Ids in an automated manner, without the need for the manual workarounds. Annex 2 provides additional information on the software changes required. The cost of these changes is £132,000 (excluding the project overhead costs associated with any release of the NETA central systems), with an on-going annual maintenance cost of 14% of the cost of the software changes.

4.1.4 Impact on Data Volumes

The VASMG felt that P106 could increase the use of multiple Supplier Ids by BSC Parties, which would potentially have an impact on costs.

The Supplier Volume Allocation Agent (SVAA) sends a number of reports (e.g. profiling reports) to all Supplier Ids (unless the Supplier chooses not to receive them). Any increase in the number of Supplier Ids would therefore potentially increase the volume of data sent across the Data Transfer Network.

In addition, if the number of Supplier Ids (and hence Base BM Units) increased dramatically, this could potentially require rework to the NETA Central Systems to handle the required data volumes. The VASMG believed that such rework would be potentially expensive, but that the risk of it being required was low. The NETA Central Systems are designed to handle five thousand BM Units, and the number currently in use is about one thousand, so there is considerable spare capacity.

4.1.5 Impact on BSC Parties

The results of this HLIA indicate that P106 has little or no impact on the systems and processes of Parties and Party Agents (as would be expected, given that P106 is merely clarifying processes that do already take place).

4.2 Change of Supplier Id

The VASMG discussed the issue of whether Suppliers and Supplier Agents should be required to perform a full Change of Supplier (CoS) process when re-registering a metering system to another Supplier Id owned by the same Supplier. They concluded that they should, because allowing the Supplier Id to change without a CoS process would require a high level of change to Supplier Agent systems.

4.3 Assessment Against BSC Objectives

This section of the report describes the views of the VASMG (subject to the results of this consultation) on whether P106 better facilitates achievement of the Applicable BSC Objectives.

The VASMG agreed that removing the uncertainty surrounding the use of Supplier Ids would better facilitate achievement of objective (d) i.e. 'promoting efficiency in the implementation and administration of the balancing and settlement arrangements.' The current uncertainty in this area causes ELEXON to incur additional expense when handling requests for multiple Supplier Ids, and potentially leaves decisions made by ELEXON open to Dispute by Parties. P106 would resolve this issue, hence better facilitating objective (d).

The VASMG also agreed that allowing multiple Supplier Ids in the case of scenario (a) better facilitates objective (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.' If multiple Supplier Ids were not allowed in this case, the BSC would be imposing a serious artificial barrier to the transfer of supply business assets from one BSC Party to another (as the only way of performing such a transfer would be to perform a CoS process on each individual metering system, or invoke the Failing Supplier Process).

The VASMG further agreed (subject to the results of this confirmation) that allowing multiple Supplier Ids in the case of scenario (b) would not better facilitate the Applicable BSC Objectives. Each Supplier Id registered in central systems has costs associated with it, and therefore allowing Suppliers to use them for their own internal purposes amounts to asking Suppliers who choose not to use multiple Supplier Ids to subsidise the business processes of those who do. The VASMG agreed that this cross-subsidy would not better facilitate achievement of Applicable BSC Objective (c).

The VASMG therefore proposes that the registration processes in Section K of the Code should be amended to:

- Allow Base BM Units to be transferred from one Party to another, thus allowing scenario (a); but
- Clarify that Base BM Units cannot be created, other than the single set of Base BM Units created when a Party registers as a Supplier. This has the effect of disallowing scenario (b).

It is not proposed to apply these changes to the registration rules retrospectively, so those Parties who already have multiple Supplier Ids will be allowed to keep them, regardless of how they were acquired.

4.4 Cost Recovery and Limits on Numbers of Supplier Ids

The VASMG noted that there are already specific charges levied against Suppliers who elect to use multiple Supplier Ids (in the form of the £100/month charge for each set of Base BM Units). In this sense there is already a mechanism for recovering operational costs associated with multiple Supplier Ids (although it is unclear whether this charge is set at a level that recovers all the operational costs).

The VASMG noted that the potential enhancements to the CRA system described in Annex 2 to this report are not an absolute necessity for allowing multiple Supplier Ids, but are aimed at ensuring robustness of CRA processes and facilitating the creation of new GSP Groups. For this reason the VASMG believe that the cost of these enhancements (if made) should be funded by BSC Parties generally, rather than those registering multiple Supplier Ids.

For the reasons described in section 4.3, the VASMG is minded (subject to the results of this consultation) to recommend that scenario (b) should not be allowed. However, as the number of Supplier Ids available is limited the VASMG agreed that if scenario (b) were to be allowed, it would be appropriate to limit BSC Parties to a single Supplier Id acquired through this mechanism (plus Supplier Ids acquired through scenario (a)).

ANNEX 1 SUPPLIER IDS CURRENTLY DEFINED IN CRA

The following table shows which Supplier Id(s) are registered to each Supplier in the Central Registration Agent (CRA) system. This data is derived from the BM Unit data in the Market Data section of the ELEXON website (www.elexon.co.uk), and is correct as of 6 January 2003.

PARTY NAME	PARTY ID	SUPPLIER ID	
		No.	Id(s)
AES New Energy Limited	AEPD	1	AEPD
Aquila Energy Supplies Limited	AQUILAES	1	AOES
Atlantic Electric and Gas Ltd	ATLANTIC	1	IMPO
BizzEnergy.com Ltd	BIZZ	1	BIZZ
British Energy Generation Ltd	BEGL001	1	NELC
British Gas Trading	BRITGAS	2	BGAS, ENRD
Cinergy Global Trading Limited	CINGTL	1	CGTL
Citigen (London) Limited	CGEN	1	CGEN
COMMERCIAL ELECTRICITY SUP LTD	CESL	1	CESL
Economy Power	ECON1	2	ECON, EPHH
Electricity Direct (UK) Ltd	EDIR	1	EDIR
ELEDOR Limited	ELEDOR	1	ELED
Fortum Direct Ltd	FOR	1	FORT
Fortum Energy Plus	GLAC	1	GLAC
Greenwich Energy Trading Ltd	GREN	1	GREN
INEOS Chlor Energy LTD	IMPX	1	IMPX
London Electricity Plc	LENCO	2	LOND, SWEB
Magnox Electric PLC	MAGNOX	1	NUCE
Maverick Energy	MAVERICK	1	MAVE
Midlands Gas Ltd	MGAS	1	MGAS
Npower Direct Limited	NITWO01	2	INDE, INDX
Npower Limited	NPOWER01	2	MIDE, NATP
NPower Northern Supply Ltd	NEEB	1	NEEB
NPower Yorkshire Supply Ltd	YE	1	YELG
Opus Energy Limited	OXFPOWER	1	OXPO
Powergen Retail Ltd	PGENERGY	4	EELC, EENG, EMEB, NORW
Powergen UK plc	POWERGEN	1	PGEN
RWE Trading Direct Ltd	RWETDL	1	RWED
SEEBOARD Energy Limited	SEEBOARD	1	SEEB
Severn Trent Energy Ltd	AHEL	1	AHEL
Smartestenergy Limited	SMARTEST	1	SMAR
SP Energy Retail Ltd	SPSUP01	2	MANW, SPOW
SSE Energy Limited	HELE	1	HELE
SSE Energy Supply Limited	SSE	3	HYDE, SOUT, SWAE
SSE Energy Supply Ltd	ZZBERM	1	BERM
The Renewable Energy Co Ltd	RENC	2	ECOT, RENC
TotalFinaElf Gas & Power Ltd	TFEGP	1	TGPL
TXU Europe (AH Online) Ltd	AGSS	1	AGSS
TXU Europe (AHG) Ltd	AHGL	1	AHGL
TXU Europe (AHGD) Ltd	AMGD	1	AMGD
UK ELECTRIC POWER LTD	UKEP	1	UKEP
Utility Link Ltd	ULLINK	1	WREL
Western Gas Ltd	WGAS	1	WGAS

It can be seen that the majority of Suppliers have one Supplier Id, with a few having two, three or four.

ANNEX 2 POSSIBLE CHANGES TO BSC SYSTEMS

As described in section 4.1.3 of this document, the Central Registration Agent (CRA) is able to cater for multiple Supplier Ids under both scenario (a) and scenario (b). However, this requires manual workarounds to be operated, and these do have a number of disadvantages. The CRA HLIA for P106 has identified possible software changes that would allow the system to handle multiple Supplier Ids in an automated manner, and overcome the disadvantages of the current workarounds.

CURRENT PROCESS FOR SCENARIO (A)

Currently the design of the CRA database does not allow a BSC Party to own more than one Supplier Id. However, this is not a major obstacle to the use of multiple Supplier Ids, because for the purposes of the NETA Central Systems, the key issue is the ownership of the Base BM Units associated with the Supplier Id, rather than ownership of the Id itself.

Scenario (a) is therefore currently handled through a Change of BM Unit Ownership (CoBO) for the Base BM Units (and any Additional BM Units) associated with the Supplier Id. The Supplier Id itself cannot be transferred, but this does not create any issues in the normal operation of the systems. The only time it is likely to be an issue is if a new GSP Group is created, at which point a new Base BM Unit would be created for the wrong BSC Party.

In summary, the main problem with the current scenario (a) workaround is that it requires additional CoBO processes to be manually initiated each time a new GSP Group is created. However, as creation of new GSP Groups is a rare occurrence, this is not necessarily a serious issue.

CURRENT PROCESS FOR SCENARIO (B)

Currently, the CRA system creates a new set of Base BM Units (one per GSP Group) whenever a Party registers as a Supplier. No other mechanism for creating Base BM Units is available. Therefore the only way of achieving scenario (b) is as follows:

1. Create a dummy BSC Party, and register it as a Supplier with the required Supplier Id, causing the system to generate a set of Base BM Units;
2. Manually change the ownership of each BM Unit; and
3. Set the Effective To Date of the dummy BSC Party (to ensure that it doesn't appear in reports, or acquire settlement liabilities).

The key disadvantages of this workaround are as follows:

- As for scenario (a), the BM Unit ownership is correct, but ownership of the Supplier Id itself remains with the wrong Party, necessitating additional manual workarounds if a new GSP Group is created; and
- There is an additional risk that if the workaround is not completed successfully, the dummy BSC Party may appear on settlement reports, or acquire settlement liabilities.

PROPOSED SOFTWARE CHANGES

The P106 HLIA indicates that the above problems could be overcome through changing the CRA system as follows:

- Amending the database structure to allow a BSC Party to own more than one Supplier Id. This requires a new table on the CRA database;
- Amending the registration screens to allow the operator to edit the list of Supplier Ids associated with a Party, and automatically keep Base BM Unit details in line with Supplier Id details;

- Minor consequential changes to other elements of the system that use Supplier Id information i.e. the screen for creating Additional BM Units; the process for creating a new GSP Group; and reports on registration data.

ANNEX 3 POSSIBLE CHANGES TO THE CODE

In order to assist market participants in understanding the potential implications of P106, this Annex provides an initial assessment of changes that may be required to the BSC. ***It should be noted that this assessment of changes is provisional and subject to change.*** ELEXON's legal advisers will be drafting the proposed BSC changes in parallel with this consultation, and until that process is completed it is not possible to state with any certainty what changes may be required to the Code.

OVERVIEW

At a high level, the drafting changes can be regarded as falling into two categories:

- Specific changes to the obligations associated with registration of Base BM Units, reflecting the fact that a Party may now have more than one set. These changes will primarily impact Section K of the Code, and may differ depending on which Multiple BM Unit scenarios are allowed.
- Drafting changes to clarify the distinction between a Supplier, and the Supplier Ids under which metering systems are registered. These changes will primarily impact Section S and its Annexes, and are independent of which Multiple BM Unit scenarios are allowed.

SECTION X

A new term 'Supplier Id' will be defined in Section X. The meaning of subscript 'Z' in Table X-4 ('Use of Subscripts and Superscripts Applying to Section S') will be changed to refer to Supplier Id rather than Supplier.

SECTION S (AND ANNEXES)

Possible changes to Section S and its Annexes are as follows.

Clarification of Terminology

As noted above, subscript 'Z' in Section S and its Annexes will be redefined to refer to Supplier Id rather than Supplier. This brings the Code in line with the SVA systems, which perform all calculations at the Supplier Id level rather than the Supplier level.

A rule will be added to Annex S-2 to make it clear that where 'Supplier Z' has an obligation (e.g. providing data or giving a notification), such an obligation is to be performed by the relevant Supplier.

Change of Supplier

For consistency with Party Agent systems and current practice, it may be necessary to clarify that a Change of Supplier process takes place each time the Supplier Id changes (even if the Supplier remains the same).

Shared SVA Meter Arrangements

The rules for Shared SVA Meter Arrangements ('meter splitting') raise the specific question of whether the Primary Supplier and Secondary Supplier can be the same Party (e.g. meter splitting between EMEB and EELC Supplier Ids). There appears to be no reason to prevent this (although the benefits to the Party in question would seem to be limited).

SECTION K

Section K2.5 (Shared SVA Meter Arrangements) may need amendment to allow a single Supplier to set up a Shared SVA Meter Arrangement between two of his Supplier Ids (as discussed above in the context of Section S).

Section K3.3 describes the requirements associated with registration of Supplier BM Units, and may need amendment as follows:

- Paragraph 3.3.1(a) describes the process by which Suppliers are automatically allocated Base BM Units, and may require amendment if the Group recommend that scenario (b) should be allowed.
- Paragraph 3.3.5 defines the term Base BM Unit, and may need changing to associate Base BM Units with a Supplier Id rather than a Supplier.
- Paragraph 3.3.6 prevents a Supplier cancelling a Base BM Unit registration while he remains a Supplier, and may need changing to allow for a Supplier closing one of his multiple Supplier Ids.
- Paragraph 3.3.8 defines the content of a Base BM Unit, and may need amendment to refer to Supplier Ids rather than Suppliers.
- Assuming the Group recommend that scenario (a) should be allowed, additional paragraphs may be required describing the process for transferring all a Supplier Id's BM Units from one Party to another.

SECTION D

The algebra in Annex D-1 contains references to the 'Z' subscript, which will potentially need to be clarified.

SECTION J

Section 5.1.1 obliges Suppliers to ensure that each Supplier Hub has been through an Entry Process. May need to clarify that Supplier Hub is based around Supplier Id rather than Supplier.

ANNEX 4 CONSULTATION QUESTIONS

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

Respondent:	<i>Name</i>
BSC Party	Yes/No ⁴
No. of Parties Represented	
Responding on Behalf of	<i>Please list all Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent	<i>(Supplier/Generator/ Trader / Consolidator / etc – please state)</i>

Q	Question	Response	Rationale
1.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?	Yes / No	
2.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD NOT allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?	Yes / No	
3.	If you answered 'No' to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?	Yes / No	

⁴ Delete as appropriate – please do not use strikethrough, this is to make it easier to analyse the responses

Q	Question	Response	Rationale
4.	The use of multiple Supplier Ids does not <u>require</u> software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?	Yes / No	
5.	Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?	Yes / No	
6.	Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.	Yes / No	
7.	Do you have any further comments on P106 that you wish to make?	Yes / No	

Please send your responses by **17:00 on Friday 24 January 2003** to Modifications@elexon.co.uk and please entitle your email 'P106 Assessment Consultation 1'

Any queries on the content of the consultation pro-forma should be addressed to Keith Campion (020 7380 4011), email address keith.campion@elexon.co.uk .