



# Change Proposal Circular:

## CPC00706: Impact Assessment of CP1360, CP1361, CP1362, CP1363 and CP1364

### Responses for CP1360 'Inclusion of Audit Records for Gross Volume Correction and Dummy Meter Exchanges'

Summary of Responses				
Organisation	Capacity in which Organisation operates in	Agree?	Impacted?	Days needed to implement
IPNL	LDSO, SMRA	Yes	No	-
Imserv Europe Ltd	NHHDC, NHHDA, NHHMO, HHDC, HHDA, HHMO	No	Yes	90
Lowri Beck Services Limited	NHHDC, NHHDA, NHHMO, NHHDR	Neutral	Yes	2
EDF Energy	Supplier, NHH Agent and HHMOP	No	Yes	90
TMA Data Management Ltd	HHDC, HHDA, NHHDC and NHHDA	Yes	Yes	90
Western Power Distribution	Distributor	Yes	No	-
SSE Energy Supply Limited	Supplier	Yes	No	-
Northern Powergrid	LDSO	Yes	Yes	-
Siemens Metering, Communications & Services	NHHDC, NHHDA, HHDC, HHDA, MO	No	Yes	120
Npower	Supplier and Supplier Agents (NHH & HH)	Yes	Yes	180
Scottish Power	Supplier, NHHDC, NHHDA, Generator	No	Yes	180
British Gas	Supplier	No	Yes	120

Detailed Impact Assessment Responses			
Organisation	Agree?	Impacted?	Comments
IPNL	Yes	No	<p><b>For which role is your organisation impacted?</b> As an LDSO we are indirectly impacted on the basis that the information used for settlement purposes is accurate and that DUoS charges are accurate).</p> <p><b>Please state what the impact is</b> – See answer to previous question.</p> <p><b>Would implementation in the proposed Release have an adverse impact on your organisation?</b> No</p>
Imserv Europe Ltd	No	Yes	<p><b>Agree change comment</b> - We are already able to audit these GVC and DMX events on an adhoc basis as and when required – we do not feel there is a need for this extra level of tracking/recording.</p> <p><b>For which role is your organisation impacted?</b> NHHDC</p> <p><b>Please state what the impact is</b> - We would now have to keep much more thorough records on GVC and DMX events duplicating data that is already accessible and visible in our NHHDC system. These additional requirements would involve a significant amount of work to ensure entries into the database to capture all of the requirements.</p> <p><b>Lead time comment</b> - We would need to amend system code to track these instances to enable the reporting to be performed. We would need to train staff to start recording this information. There would also be a dependency that no other industry change development work would be required during this time</p> <p><b>Would implementation in the proposed Release have an adverse impact on your organisation?</b> This would require more resource and would hence increase our operating costs as well as involve development costs.</p> <p><b>Associated costs comment</b> – Unable to quantify at this time.</p>
Lowri Beck Services Limited	Yes	Neutral	<p><b>Agree change comment</b> - The document which contains the GVC/DMX will need to be supplier driven. Only information the DC can provide is when the GVC/DMX took place.</p> <p><b>For which role is your organisation impacted?</b> NHHDC</p> <p><b>Please state what the impact is</b> - Further documentation needs maintaining for audit purposes.</p> <p><b>Lead time comment</b> - Staff training to ensure the GVC/DMX are documented and stored appropriately.</p> <p><b>Would implementation in the proposed Release have an adverse impact on your organisation?</b> No adverse impact would be expected for this.</p> <p><b>Associated costs comment</b> – No associated costs to the organisation.</p>
EDF Energy	No	Yes	<p><b>Agree change comment</b> - We are opposed to this change because all NHHDC agents are subject to an annual BSC audit and GVC process forms part of that audit. If an NHHDC cannot provide supporting evidence required to verify that their process is compliant then we would expect an audit issue to be raised against them for the non-compliance. We see no reason to treat GVC audit data requirements any differently from data requests relating to other activities that fall within the scope of the annual audit.</p>

## Detailed Impact Assessment Responses

			<p><b>For which role is your organisation impacted?</b> Supplier and NHHDC</p> <p><b>Please state what the impact is</b> - Process changes</p> <p><b>Would implementation in the proposed Release have an adverse impact on your organisation?</b> None</p>
TMA Data Management Ltd	Yes	Yes	<p><b>Agree change comment</b> - Clarification of information to be held is always welcome in order to standardise Industry practices</p> <p><b>For which role is your organisation impacted?</b> NHHDC</p> <p><b>Please state what the impact is</b> - Procedural</p> <p><b>Would implementation in the proposed Release have an adverse impact on your organisation?</b> No</p> <p><b>Associated costs comment</b> – Low cost</p>
Western Power Distribution	Yes	No	<p><b>For which role is your organisation impacted?</b> Not impacted - other than by receipt of more accurate settlement data.</p> <p><b>Would implementation in the proposed Release have an adverse impact on your organisation?</b> No</p> <p><b>Associated costs comment</b> – No costs involved</p>
SSE Energy Supply Limited	Yes	No	-
Northern Powergrid	Yes	Yes	<p><b>Agree change comment</b> - This proposed change would reduce volatility within settlements and therefore movements in allowed income effecting LDSO's, use of system charges effecting Suppliers and ultimately the end customer.</p> <p><b>For which role is your organisation impacted?</b> LDSO</p> <p><b>Please state what the impact is</b> - Financial – Allows for complete analysis of supplier data cleansing techniques that effect LDSO's allowed income under Ofgem's losses incentive</p> <p><b>Lead time comment</b> - Not directly impacted but would be used in official reporting to Ofgem</p> <p><b>Would implementation in the proposed Release have an adverse impact on your organisation?</b> No</p> <p><b>Associated costs comment</b> – None</p>
Siemens Metering, Communications & Services	No	Yes	<p><b>Agree change comment</b> - Our support for these changes would depend on whether P274 is approved, as this would end the use of the GVC process. It seems unnecessary to make any changes relating to GVC, if the intention is to stop using this type of adjustment. It would be useful to see exactly what the BSC audit data request would be in relation to this information.</p> <p><b>For which role is your organisation impacted?</b> NHHDC</p> <p><b>Please state what the impact is</b> - Some minor system and reporting changes would be required.</p> <p><b>Lead time comment</b> - We would need a minimum of 4 months notice for this change.</p> <p><b>Would implementation in the proposed Release have an adverse impact on your organisation?</b> No adverse impact apart from potential conflict with P274.</p>

## Detailed Impact Assessment Responses

Npower	Yes	Yes	<p><b>Agree change comment</b> - We believe that the standardisation of reporting to include the key data outlined would be beneficial.</p> <p><b>For which role is your organisation impacted?</b> Supplier &amp; NHHDC</p> <p><b>Please state what the impact is</b> - As a Supplier &amp; NHHDC we currently utilise the corrective techniques prescribed within the Code and Subsidiary Documents and any changes to those documents would have an impact on our organisation.</p> <p><b>Lead time comment</b> - Npower would expect that significant changes to the Code and / or Subsidiary Documents would be implemented in a manner that allowed all Parties sufficient time to make the relevant process / system changes necessary.</p> <p><b>Would implementation in the proposed Release have an adverse impact on your organisation?</b> No, we would support June 2012 as the implementation date for this change as long as this Change Proposal is approved in the next month to allow development to begin as soon as possible.</p> <p><b>Associated costs comment</b> – At present we are not in a position to provide costs of implementing this Change Proposal.</p>
Scottish Power	No	Yes	<p><b>Agree change comment</b> - There is still significant work required to confirm the data that should be captured within this solution and what format this should be stored / presented in. There is also no reference to the reporting of this data or the process for how it will be audited. Additional work must be undertaken by ELEXON and the change originator to review these issues and propose a full end-to-end process as opposed to just capturing additional data items.</p> <p>The originator refers to various ‘Supplier Adjustments’ having an adverse impact but then only seeks to track 2 of the associated techniques. The CP should look to address the potential audit gap around all ‘Supplier adjustments’, which should be clearly defined in the solution.</p> <p>The change also seeks to impose a solution purely on Suppliers and NHH agents but there will be a significant impact on the process that ELEXON use to track these ‘Supplier adjustments’. ELEXON will have to add new reporting and auditing measures as part of this CP and again these should be clearly defined in the solution.</p> <p><b>For which role is your organisation impacted?</b> Supplier, NHHDC and NHHDA</p> <p><b>Please state what the impact is</b> - Additional resource, time and potential system impacts for all existing ‘Supplier Adjustment’ processes.</p> <p><b>Lead time comment</b> - Minimum 6 months would be required to carry out a full Impact Assessment on our internal processes. We would also propose a similar exercise carried out by ELEXON to assess the new resource and process requirements they would need to manage the full tracking and reporting of ‘Supplier Adjustments’.</p> <p><b>Would implementation in the proposed Release have an adverse impact on your organisation?</b> Yes. The CP as it stands is not fit for purpose and needs additional work put in place before it can be agreed. A minimum 6 month turn-around time will be required to ensure a full end-to-end process is established. Simply capturing additional data items is not enough to</p>

Detailed Impact Assessment Responses			
			adequately track the 'Supplier adjustments' that the originator refers to. <b>Associated costs comment</b> – There is not enough detail in the current CP to allow us to carry out an accurate cost assessment.
British Gas	No	Yes	<b>Agree change comment</b> - The performance assurance framework is in place to ensure compliance with the BSC. This change seeks to add new requirements on the NHHDC which may be required to be reviewed by the BSC Auditor. The Risk Evaluation Methodology is in place to ensure areas of significant risk are included within the audit. Dummy meter exchanges have not been identified as a risk area and we do not see the benefit in included these specifically within BSCP 504. <b>For which role is your organisation impacted?</b> Supplier <b>Please state what the impact is</b> - Additional requirements placed upon agents will increase costs to suppliers <b>Associated costs comment</b> – Costs initially incurred by agents <b>Any other comments</b> - This requirement would fall on our NHHDC

#### Comments received on the redlined text

Comments on the redline text					
No.	Organisation	Document name	Location	Severity Code	Comments
1	Northern Powergrid		4.1.4.6	H	LDSO needs to be included as an evaluation will be need to capture what technique is effecting allowed income and by how much.