

<p style="text-align: center;">Change Proposal – F40/01</p>	<p>CP No: 1060</p> <p>Version No: 3.0</p>
<p>Title <i>(mandatory by originator)</i></p> <p style="text-align: center;">Providing the Registrant with visibility of their Line Loss Factors (LLF) prior to approval</p>	
<p>Description of Problem/Issue <i>(mandatory by originator)</i></p> <p>BSCP28 details the process by which CVA LLF are approved and communicated between LDSO, CDCA, BSCCo and the BSC Panel. The procedure makes no reference to the registrant of a metering system receiving notification of the LLF that will be allocated to that metering system for the forthcoming year. We believe this to be a defect within the current procedure as the LLF is a variable that must be known and factored into the volumes for a contract notification. If the LLF is not notified to the Registrant and specifically if there is a change in the parameter from the previous year this could impact on the imbalance position of the Registrant. Visibility of the LLF at an early stage will also allow Registrants where appropriate to challenge the LDSO on the factor being provided for use in Settlements.</p>	
<p>Proposed Solution(s) <i>(mandatory by originator)</i></p> <p>Version 1.0 of CP1060 included a solution whereby the Licensed Distribution System Operators (LDSO) would be required to obtain the Registrant’s signature and agreement to proposed CVA LLFs prior to the values being submitted to BSCCo. CP1060 version 2.0 included a solution under which the LDSO would provide a copy of the LLF submissions to the Registrant at the same time as providing the data to BSCCo. Industry impact assessment of CP1060 v1.0 and v2.0 highlighted a number of concerns in terms of these solutions. However, there was general support amongst consultation respondents for ensuring that Registrants have visibility of CVA LLFs.</p> <p>The Imbalance Settlement Group (ISG) considered CP1060 and the responses to industry consultation at its meeting on 25 January 2005 (ISG 48/005). The ISG agreed an alternative solution to CP1060 whereby BSCCo would publish submission data. Version 3.0 of this CP reflects the solution agreed by the ISG as follows:</p> <ul style="list-style-type: none"> – The process for provision of LLF submissions to BSCCo by LDSOs would be unchanged; – On receipt of submissions from LDSOs, BSCCo would publish the LLF data on the BSCCo Website. Publication would occur prior to the LLFs being taken to ISG for approval; – If the Registrant wishes to query the LLF submissions, this would need to be progressed under the connection agreement (i.e. outside the BSCP28 – ‘Approval and Notification of CVA Line Loss Factors’ process). However, where there was an outstanding disagreement over the values submitted, the Registrant could highlight any disagreement to BSCCo and this would be noted in the approval paper issued to the ISG; – In the absence of any representation received from the Registrant to the contrary, the ISG would assume the stance that any LLFs submitted by LDSOs for approval had been agreed with the Registrant in accordance with the connection agreement and any applicable Licence conditions; and – The requirements for publication of data by BSCCo would be as follows: <ul style="list-style-type: none"> ▪ Submissions would be published prior to being taken to the ISG for approval, allowing time for Registrants to query the submission; ▪ Published data would flag whether the LLFs had been approved or were pending approval; ▪ Contact details for LDSOs would be included on the BSCCo website in order to allow Registrants to query submissions directly; and ▪ Historic data would be published in order to illustrate potential default values (NB: Default values are based on the approved values for equivalent days in the previous year). 	

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Justification for Change <i>(mandatory by originator)</i> <p>The current process fails to provide the Registrant with the required level of visibility of the LLF that has been proposed for a BMU. If this information is not provided by the LDSO this can impact upon the trading position of the Registrant as the LLF must be factored into the contract position notified into Settlements.</p> <p>This additional step in the process could also assist ISG in their decision making process when approving LLF for use in Settlements. If ISG is considering LLF submissions it may improve the process if the group is aware that the Registrant has seen the proposed value. This could provide the ISG with a level of assurance about the factor being proposed.</p> <p>BGT own a number of embedded power stations and since acquisition it has become apparent that LLF are not provided to the registrant prior to their submission to ISG. BGT believe provision of the values should be an integral part of the process for approving LLF.</p>	
Configurable Items Potentially Affected by Proposed Solution(s) <i>(optional by Originator)</i> <p>BSCP28</p>	
Impact on Core Industry Documents <i>(optional by originator)</i> 	
Related Changes and/or Projects <i>(mandatory by BSSCo)</i> 	
Requested Implementation Date <i>(mandatory by originator)</i> <p>June 2005</p> <p>Reason: The annual submission of CVA LLFs to BSCCo occurs during January/February of each year. Therefore, implementation of CP1060 in the February 2005 Release may impact this process, therefore it is considered more appropriate to implement the change in June 2005.</p>	
Agreed Release/Implementation Date <i>(mandatory by BSCCo)</i> 	
Originator's Details: <p>BCA Name Mark Manley</p> <p>Organisation British Gas Trading</p> <p>Email Address 01753 431137</p> <p>Date.....</p>	
<p>Attachments: /N* (If Yes, No. of Pages attached:.....) (delete as appropriate)</p>	