

Responses from P197 Draft Modification Report
Consultation Issued 16 May 2006

Representations were received from the following parties

No	Company	File number	No BSC Parties Represented	No Non- Parties Represented
1.	Scottish and Southern Energy plc	P197_dMR_001	5	0
2.	Centrica	P197_dMR_002	1	0
3.	RWE npower	P197_dMR_003	10	0
4.	Scottish Power	P197_dMR_004	7	0
5.	EDF Energy Networks	P197_dMR_005	3	0
6.	British Energy	P197_dMR_006	5	0
7.	EDF Energy	P197_dMR_007	6	0
8.	E.ON UK Energy Services Limited	P197_dMR_008	0	1
9.	E.ON UK	P197_dMR_009	17	0

P197 REPORT PHASE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide 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>John Sykes</i>
Company Name:	<i>Scottish and Southern Energy plc</i>
No. of BSC Parties Represented	<i>5</i>
Parties Represented	<i>This response is sent on behalf of Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd., Medway Power Ltd., and SSE Energy Supply Ltd.</i>
No. of Non BSC Parties Represented	<i>-</i>
Non Parties represented	
Role of Respondent	<i>Supplier / Generator/ Trader / Party Agent / LDSO</i>
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on Proposed Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P197 should not be made? Please give rationale.	Yes	For the reasons set out in the Draft Modification Report ref P197RR
2.	Do you agree with the Panel's views on Alternative Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Alternative Modification P197 should be made? Please give rationale.	Yes	For the reasons set out in the Draft Modification Report ref P197RR

Q	Question	Response	Rationale
3.	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	To the best of our knowledge, having read the text for the Alternative Modification, and subject to minor comments made. 1.4.2 bullet (b) should be on a new line. Should the Heading 7. read " . . . PERSONS" ?
4.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P197? Please give rationale.	No	I think that implementation should be possible in a shorter timescale. This is purely procedural and there is no impact on BSC or party computer systems.
5.	Are there any further comments on P197 that you wish to make?	No	

Please send your responses by **10:00 on Tuesday 30 May 2006** to modification.consultations@elexon.co.uk and please entitle your email '**P197 Report Phase Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Geoffrey Sekyere-Afriyie on 0207 380 4377, email address geoffrey.sekyereafriyie@elexon.co.uk.

P197 REPORT PHASE CONSULTATION QUESTIONS

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Respondent:	<i>Claire Walsh</i>
Company Name:	Centrica
No. of BSC Parties Represented	
Parties Represented	
No. of Non BSC Parties Represented	
Non Parties represented	
Role of Respondent	Supplier
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on Proposed Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P197 should not be made? Please give rationale.	Yes	We support the Panels recommendation that the proposed Modification should not be made for the reasons cited within the Draft Modification Report.
2.	Do you agree with the Panel's views on Alternative Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Alternative Modification P197 should be made? Please give rationale.	Yes	We support the Panels recommendation that the alternative Modification should be made for the reasons cited within the Draft Modification Report.

Q	Question	Response	Rationale
3.	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	
4.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P197? Please give rationale.	Yes	Whilst the implementation date is disappointingly far into the future, we understand the basis for the delay and agree with the proposed implementation date. We would urge an early decision from the Authority to enable the 1 st November 2007 implementation date to be achieved.
5.	Are there any further comments on P197 that you wish to make?	No	

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Any queries on the content of the consultation pro-forma should be addressed to Geoffrey Sekyere-Afriyie on 0207 380 4377, email address geoffrey.sekyereafriyie@elexon.co.uk.

P197 REPORT PHASE CONSULTATION QUESTIONS

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Respondent:	<i>Richard Harrison</i>
Company Name:	<i>Npower Limited</i>
No. of BSC Parties Represented	<i>10</i>
Parties Represented	<i>RWE Trading GmbH; RWE Npower Ltd; Npower Commercial Gas Ltd; Npower Cogen Trading Ltd; Npower Direct Ltd; Npower Ltd; Npower Northern Ltd; Npower Northern Supply Ltd; Npower Yorkshire Ltd; Npower Yorkshire Supply Ltd</i>
No. of Non BSC Parties Represented	<i>None</i>
Non Parties represented	<i>N/A</i>
Role of Respondent	<i>Supplier / Generator / Trader / Consolidator / Exemptable Generator / Party Agent</i>
Does this response contain confidential information?	<i>Yes/No</i>

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on Proposed Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P197 should not be made? Please give rationale.	Yes	

Q	Question	Response	Rationale
2.	<p>Do you agree with the Panel's views on Alternative Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Alternative Modification P197 should be made?</p> <p>Please give rationale.</p>	No	<p>The intentions of this Alternative Modification are good, but it is defective in a number of respects (i.e. "The Devil is in the detail"):</p> <p>Given the apparent level of data quality/inconsistency issues across the industry, the fact or likelihood that many of these issues are due to the incorrect implementation of industry or participant driven changes to systems and processes, the fact that industry processes are not well designed for rectifying problems retrospectively, and the general desire to address the root causes of problems rather than simply continuing to rectify their impacts, it is hard to see how the removal of the Supplier Hub approval element of the Entry Processes and excluding Supplier Re-Qualification (which was a key element of the Proposed Modification) – essentially the only 'preventive' assurance technique available for addressing the risk from the implementation of major industry change or change to Suppliers' systems/processes at source – is going to contribute positively to improving the overall situation. What is really needed is to make such techniques more effective (while ensuring they are not unnecessarily bureaucratic or cumbersome), not remove them, since the alternative is not nothing but almost certainly the more extensive application of other (ex-post) assurance techniques which may be less effective, more costly and more intrusive and disruptive for market participants.</p> <p>We note that the impact of such data issues, seen mainly in terms of problem resolution workload and potential risk to billing and Settlement processes for new customers following Change of Supplier, is likely to be relatively greater on new entrant and actively competing Suppliers, and hence anything which exacerbates these is contrary to Applicable BSC Objective (c).</p> <p>(Continued)</p>

Q	Question	Response	Rationale
2	(Continued)		<p>We are concerned that the logic of removing the volume limit on the Certification of existing Agent systems is flawed, since this will potentially allow Agents, without changing their systems, to operate at levels which would not have been considered acceptable either when these were approved or now, thereby increasing the risk to other market participants, of which new entrants are, of course, likely to be among the most vulnerable. We cannot see the logic of changing what was a perfectly straightforward and objective process.</p> <p>Adding to the comment made in the 2nd paragraph above, we are concerned about the exclusion of the 'hook' in the Code for the application of Re-Qualification to Suppliers in the case of major industry changes, and reliance on including appropriate provisions in relevant Modifications, since past experience (e.g. the Customer Transfer Programme Mod, P183) suggests that Performance Assurance aspects do not always receive adequate attention in the Modification process. Also, it will mean that new entrant Suppliers will have to Qualify to a substantially different (and potentially more onerous) baseline than existing ones have, which again appears contrary to Objective (c).</p> <p>Last but not least, we would comment that the business case for this Modification is among the weakest that we have seen, for a number of reasons including the following:</p> <ul style="list-style-type: none"> • The detailed requirements for the Qualification process have not yet been developed, and it is therefore impossible to assess the costs or benefits for market participants meaningfully; • There does not appear to be even an estimate of the Service Provider costs; • The costs of the increased burden on other Performance Assurance techniques (or the impact of the weakening of the Framework) do not appear to have been taken into consideration; • The proposed changes may be superseded or considerably modified within a year or two by proposals coming out of the current PAF Review, so there will be a considerably reduced timescale for any benefits to be realised.

Q	Question	Response	Rationale
3.	<p>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?</p> <p>Please give rationale.</p>	No	<p>See comments against 2 above.</p> <p>In particular, we do not think that the proposed wording of section J 3.5.1 (introduced to make significant increases in volume part of the definition of Material Change rather than a separate criterion) works, because the number of Metering Systems in relation to which the person <u>intends</u> to perform the functions (see (b)) will presumably already have increased (and hence the Material Change will already have occurred) before the person has completed the Re-Qualification process, and therefore they will already be non-compliant. Under such circumstances we do not believe it is realistic to expect participants to submit a Re-Qualification document with which they would effectively be declaring themselves non-compliant. We assume that the Qualification document would have to state the maximum number of Metering Systems in relation to which the person intends to perform the functions in order to make the basis against which any "significant increase" would have to be judged objectively assessable and therefore enforceable, and that this figure would have to be updated. It seems to us it would have been much better to retain the clearer and simpler volume limit process to provide the trigger (the risk assessment at this point would be no more onerous).</p> <p>Regarding the implementation approach, we note in paragraph J 2.1.5 that applicants already in the existing "processes" at the Implementation date are to be given the option of continuing to remain subject to these (provided they complete them within 3 months). However, we would question whether these "processes" would still be in force after the Implementation date (since it doesn't say anywhere that this will be the case), and would suggest that the drafting of Section J needs to be modified to correct this – Possibly by maintaining the existing processes in the Code alongside the new ones, with appropriate wording regarding the Implementation date – Otherwise a loophole will be created or any applicants trying to follow the old process may be delayed. (Continued)</p>

Q	Question	Response	Rationale
3	(Continued)		<p>In paragraph J 1.2.4 (and in Section J generally) it needs to be made clearer that persons are always Qualified in respect of particular functions – in particular, that just because someone is Qualified as a Supplier does not mean they are Qualified in respect of Party Agent functions.</p> <p>It is not clear to us why the words “this Section J and” have been added in 2.2.2 – The requirements could be in either in Section J, BSC Procedures or indeed other documents.</p> <p>Shouldn't J 3.3.13 (c) refer to a technical assurance check within a specified period of time? (or was the intention to leave this to the PAB's discretion?)</p> <p>It needs to be clarified whether J 3.3.14 means the Applicant will be considered Qualified immediately following this decision or only when it has completed the additional matters.</p> <p>It needs to be clear that J 3.3.15 does not mean the Applicant can attend the whole of that part of the meeting – The Panel/committee must have the opportunity for a confidential discussion before reaching its decision, like any other such body.</p> <p>It needs to be made clear in J 3.4.1 that Qualification can be removed in respect of Party Agent functions, whether or not the person concerned is also a Party.</p> <p>J 3.4.8 would not appear to be as intended for a Party which ceased being a Party but wished to continue as a Party Agent.</p> <p>In J 3.5.2 it would be better to say “stating <u>whether or not it has</u> been subject to a Material Change ...” rather than require the Qualified Person to make a statement which might be untrue and which would not therefore help.</p>
3	(Continued)		<p>We note that some of the change marking in the legal text is suspect (e.g. J 3.3.18).</p>

Q	Question	Response	Rationale
4.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P197? Please give rationale.	Yes / No	<p>We note the timescales quoted by Elexon for the definition of detailed requirements, service provider procurement and implementation, and would express some concern about the impact of potential rework necessitated by further proposals/Modification likely to result from the PAF Review. So while the timescale looks reasonable as a starting point, it could all get overtaken by events.</p> <p>We would also question whether the late completion of the documents allows adequate lead time for Applicants who may wish to commence the new process immediately following the Implementation date.</p>
5.	Are there any further comments on P197 that you wish to make?	Yes	<p>We are pleased that at least one member of the Panel recognises the value of keeping the Qualification role with the PAB (along with other elements of the Performance Assurance Framework). However, we note that the inclusion in the Alternative proposal of provisions to enable the 'hiving off' of this to another group has complicated (and therefore presumably increased the cost of) the legal drafting as well as increasing the risk of unintended consequences.</p> <p>The Alternative Modification (favoured by the majority of the Mod Group and the Panel) seems to have been a 'pick and mix' selection of a number of options without any real regard for the interaction with the rest of the Performance Assurance Framework (as apparently required by the Terms of Reference). There has been a tendency among Suppliers to support the removal of obligations on them (including the existing Entry Processes), which at first sight reduces operational costs. However, it is not clear what say company Finance Directors have had in this, or whether they would have taken a different view if they had had the benefit of the findings of the latest BSC Audit (still to be published) or the results coming from the Data Consistency Check exercise. The Panel will presumably take any such information now available into consideration in reaching its final conclusions on this Modification.</p>

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P197 REPORT PHASE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide 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>Jacqueline McGuire</i>
Company Name:	<i>SAIC Ltd</i>
No. of BSC Parties Represented	<i>7</i>
Parties Represented	<i>Please list all BSC Party names of Parties responding on behalf of (including the respondent company if relevant).</i> <i>Scottish Power UK plc, ScottishPower Energy Management Ltd, ScottishPower Generation Ltd, ScottishPower Energy Retail Ltd, SP Transmission Ltd, SP Manweb plc, SP Distribution Ltd</i>
No. of Non BSC Parties Represented	<i>0</i>
Non Parties represented	<i>Please list all non Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent	<i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / Distributors / other – please state¹)</i> <i>Supplier / Generator / Trader / Consolidator / Exemptable Generator / Distributor</i>
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
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¹ Delete as appropriate – please do not use strikethrough, this is to make it easier to analyse the responses

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on Proposed Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P197 should not be made? Please give rationale.	Yes	We do not consider that the proposed modification satisfies any of the relevant BSC objectives.
2.	Do you agree with the Panel's views on Alternative Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Alternative Modification P197 should be made? Please give rationale.	Yes	We believe that Alternative Modification P197 will better facilitate achievement of applicable objective (c), in that it may serve to reduce the initial costs of market participation, thus ameliorating a barrier to entry that is a feature of the existing baseline.
3.	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.	See comments	In so far as we are able to determine, the legal text should support the intent of the proposal provided that the following amendments are made: - <ul style="list-style-type: none"> • Paragraph 2.1.5 should start on a new line. At present it follows within paragraph 2.1.4. • Last line of paragraph 2.1.5 states: "...and shall be obliged to apply for Qualification." Although we agree that this would be a requirement if the Party / Party Agent decided to proceed with market entry, we are unsure that this would be an obligation <i>per se</i>. • Paragraph 3.3.13 (a) line 5: "...further evidence or testing..." We think this should read "...further evidence of testing..." • Paragraph 3.3.14 line 6: appears to be an extra "that" • Paragraph 3.3.16 has been indented • Paragraph 3.3.17 has a superfluous leading space before 17 • Paragraph 3.4.1 is indented and should have a space between "531" and "to"

Q	Question	Response	Rationale
4.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P197? Please give rationale.	Yes	This will allow sufficient time for the development of any new materials that are required.
5.	Are there any further comments on P197 that you wish to make?	No	

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Respondent:	Hazel Cotman
Company Name:	EDF Energy Networks
No. of BSC Parties Represented	3
Parties Represented	EDF Energy Networks (EPN) plc; EDF Energy Networks (LPN) plc; EDF Energy Networks (SPN) plc
No. of Non BSC Parties Represented	0
Non Parties represented	N/A.
Role of Respondent	Distributor
Does this response contain confidential information?	No

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on Proposed Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P197 should not be made? Please give rationale.	Yes	Potentially this modification could increase the risks and costs for all existing parties.
2.	Do you agree with the Panel's views on Alternative Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Alternative Modification P197 should be made? Please give rationale.	No	Although the qualification process appears to be more streamlined under the alternative modification and subsequently it should be easier to complete by all parties. However, we have concerns as to how robust the alternative modification will be for existing parties with suppliers being omitted from a key part of the process. As suppliers will not be required to re-qualify, the risks could increase and lead to problems for all existing BSC parties.

Q	Question	Response	Rationale
3.	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	
4.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P197? Please give rationale.	Yes	Although, we would like to emphasize that we do not support the implementation of the alternative modification.
5.	Are there any further comments on P197 that you wish to make?	No	

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Respondent:	<i>Shey Cobley / Sam Wells / Martin Mate</i>
Company Name:	British Energy
No. of BSC Parties Represented	5
Parties Represented	<i>British Energy Power & Energy Trading Ltd, British Energy Direct Ltd, British Energy Generation Ltd, Eggborough Power Ltd, British Energy Generation (UK) Ltd</i>
No. of Non BSC Parties Represented	-
Non Parties represented	-
Role of Respondent	<i>Supplier/Generator/Trader/Consolidator/Exemptable Generator/Party Agent</i>
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
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Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on Proposed Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P197 should not be made? Please give rationale.	Yes	<p>British Energy favours the Proposed Modification over the Alternative Modification but does not feel that the Proposed fully addresses all of the issues/defects of the current baseline.</p> <p>The Proposed Modification is preferred over the Alternative as it includes the Supplier in the Re-Qualification process. British Energy does not feel that there would be any justification for removing the Supplier from this section of the Modification given their potential impact on Settlement (e.g. Systems migration, Industry Consolidation).</p> <p>Despite the Proposed having a number of attributes which are favoured by British Energy, overall the modification does not address every issue effectively. The Modification Group's rationale that PAB does not need to be included in the transition from Phase 1 to Phase 2 is supported.</p>
2.	Do you agree with the Panel's views on Alternative Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Alternative Modification P197 should be made? Please give rationale.	No	<p>British Energy does not support the Alternative Modification as it is felt that it does not effectively address the issues that have been identified (e.g. appropriate methods to mitigate Settlement risk, streamlining and alignment in conjunction with MRA documentation).</p> <p>British Energy strongly maintains that there should be witnessed testing in order to mitigate risk, and maintain standards.</p> <p>The creation of a separate Qualification Board for the Entry Process is also still opposed. It is felt that it would be more advantageous to amend the existing code to increase the necessary visibility at PAB/applicant meetings as included in the Proposed Modification.</p> <p>The removal of the Supplier from Re-Qualification only confirms that Market risk has not been effectively addressed. It is felt that the risk posed by the Supplier through activities such as Industry Consolidation means that they should participate in the Re-Qualification process, which is not considered by British Energy to be an onerous requirement. In the example of Industry Consolidation, there is no guarantee that operational/ resource levels will be maintained, which could pose a considerable direct risk to Settlement.</p>

Q	Question	Response	Rationale
3.	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	British Energy believes that the Proposed legal text reflects the Modification Proposal adequately. However, there needs to be an explanation as to why there is a complete omission of the use of the words "Qualification Board" in the Alternative legal text as this version was created on the basis that the PAB was deemed unsuitable in their current capacity to carry out the relevant Qualification process decision-making.
4.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P197? Please give rationale.	Yes	The timescales are sufficient with regard to the implementation of P197. However, due regard must be given to any other document changes that would needed to be implemented in light of P197 modifications.
5.	Are there any further comments on P197 that you wish to make?	Yes	<p>British Energy believes that although a defect has successfully been identified P197 does not fully address the issues. It is believed that further consideration should have been given to all of the options available at the initial stages.</p> <p>In addition, it is felt that the P197 document has moved away from the original intent of streamlining the qualification process in parallel with that of equivalent MRA documentation. It is felt that the alignment with the MRA needs to more explicit within the document and taken into consideration when discussing Implementation in particular.</p> <p>British Energy does not feel that all of the comments and concerns raised have been duly considered and explored, especially with regard the effectiveness of PAB.</p>

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Respondent:	Dave Morton
Company Name:	EDF Energy
No. of BSC Parties Represented	6
Parties Represented	EDF Energy (Sutton Bridge Power); EDF Energy (Cottam Power) Ltd; EDF Energy (West Burton Power) Ltd; EDF Energy plc; London Energy plc; Seeboard Energy Limited
No. of Non BSC Parties Represented	0
Non Parties represented	N/A.
Role of Respondent	Supplier/Generator/ Trader
Does this response contain confidential information?	

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on Proposed Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P197 should not be made? Please give rationale.	Yes	We see no evidence that this modification will better facilitate any BSC objectives. The modification could potentially increase risks for all parties, and possibly their costs, and as such we would feel that this could be counterproductive with regard to promoting effective competition.
2.	Do you agree with the Panel's views on Alternative Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Alternative Modification P197 should be made? Please give rationale.	No	We feel that the risks associated with this alternate modification are greater than those in the original modification. With Suppliers not being required to re-qualify after any major change then the risks if those changes are not robust would increase for all parties. This could lead to a significant effect on a party over which that party has no control. This could lead to problems for said party that could jeopardise its ability to compete effectively.

Q	Question	Response	Rationale
3.	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	
4.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P197? Please give rationale.	Yes	However, we would re-iterate that we do not support implementation of this modification in either of its two versions.
5.	Are there any further comments on P197 that you wish to make?	Yes	<p>Section 1.1.6 suggests that a new Supplier has no need to ensure all its individual hubs are qualified. Given that this is not allowed for existing Suppliers we feel that such an allowance is not warranted and could lead to problems if information cannot be successfully transferred between a Supplier and its Agents.</p> <p>Section 1.1.11 suggests that agents would be allowed to voluntarily withdraw from the market. We do not feel that this should be included as part of this modification as there is no details on how this could be managed. If Suppliers have no contracts in place for other agents to take over in such scenarios then there is likely to be a significant deterioration of data entering into settlements and could lead to problems in change of Supplier activities. A full consultation on how such a voluntary withdrawal would be managed is required prior to any such process being introduced.</p>

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Any queries on the content of the consultation pro-forma should be addressed to Geoffrey Sekyere-Afriye on 0207 380 4377, email address geoffrey.sekyereafriye@elexon.co.uk.

P197 REPORT PHASE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide 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>Alastair Barnsley</i>
Company Name:	E.ON UK Energy Services Limited
No. of BSC Parties Represented	
Parties Represented	
No. of Non BSC Parties Represented	1
Non Parties represented	E.ON UK Energy Services Limited
Role of Respondent	<i>Party Agent</i>
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on Proposed Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P197 should not be made? Please give rationale.	Yes	The modification does not appear to offer sufficient advantages to warrant the time and effort required for its implementation

Q	Question	Response	Rationale
2.	Do you agree with the Panel's views on Alternative Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Alternative Modification P197 should be made? Please give rationale.	Yes	It is our belief that the alternative modification is preferable to the original modification as it proposes a single stage simplified approach. However we have residual concerns in two areas. The case for the exemption of suppliers from the requirement to re-qualify their systems following a material change does not appear to have been sufficiently justified as these systems and processes are key to the efficient and accurate operation of a supplier hub. The removal of a concept of an Accredited (or Qualified) volume potentially will mean an agent being forced to make serial re-qualification applications to facilitate continued expansion rather than apply for re-qualification to a specific target volume.
3.	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	
4.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P197? Please give rationale.	Yes	
5.	Are there any further comments on P197 that you wish to make?	No	

Please send your responses by **10:00 on Tuesday 30 May 2006** to modification.consultations@elexon.co.uk and please entitle your email '**P197 Report Phase Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

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P197 REPORT PHASE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide 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>Rosie McGlynn</i>
Company Name:	E.ON UK
No. of BSC Parties Represented	17
Parties Represented	E.ON UK plc (SVA), E.ON UK plc (CVA), Powergen Retail Ltd, Citigen (London) Ltd, Cottam Development Centre Ltd, Enizade Ltd, E.ON UK Drakelow Ltd, E.ON UK High Marnham Ltd, E.ON UK Ironbridge Ltd, Midlands Gas Ltd, Severn Trent Energy Ltd, TXU Europe (AHG) Ltd, TXU Europe (AHGD) Ltd, TXU Europe (AH Online) Ltd, Economy Power, Western Gas Ltd, Powergen Retail Gas (Eastern) Ltd
No. of Non BSC Parties Represented	0
Non Parties represented	<i>Please list all non Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent	<i>Supplier/Generator</i>
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on Proposed Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Proposed Modification P197 should not be made? Please give rationale.	Yes	The proposed modification did not reflect today's mature market and added bureaucracy rather than creating a more streamlined and risk reflective solution.

Q	Question	Response	Rationale
2.	Do you agree with the Panel's views on Alternative Modification P197 and the provisional recommendation to the Authority contained in the draft Modification Report that Alternative Modification P197 should be made? Please give rationale.	Yes	The alternative modification had the overwhelming support of the Modification Group. This modification proposal offers a more flexible approach to the market and is less bureaucratic than the proposed modification.
3.	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	The legal text clearly outlines the revised process Applicants will have to complete.
4.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P197? Please give rationale.	Yes	The timescales should be sufficient to ensure the procurement process can be completed and the resultant documentation required produced.
5.	Are there any further comments on P197 that you wish to make?	No	

Please send your responses by **10:00 on Tuesday 30 May 2006** to modification.consultations@elexon.co.uk and please entitle your email '**P197 Report Phase Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

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