

ANNEX 3 – P41 DEFINITION CONSULTATION RESPONSES

Responses from P41 Definition Consultation
Consultation issued 6 November 2001

Representations were received from the following parties:

No	Company	File Number	No. Parties Represented
1.	TXU Europe	P41_DEF_001	12
2.	SEEBOARD	P41_DEF_002	2
3.	London Electricity Group	P41_DEF_003	2
4.	British Gas Trading	P41_DEF_004	1
5.	Scottish & Southern Energy plc	P41_DEF_005	4
6.	Npower Limited	P41_DEF_006	8
7.	British Energy	P41_DEF_007	3
8.	Powergen UK plc	P41_DEF_008	4

P41_DEF_001 – TXU Europe

Annex 1: - P041 Definition Consultation Questions

Name: Philip Russell

Organisation: TXU Europe BSC Parties (12)

Response provided on behalf of: as above

1. P41 This question is relevant to Licensed Suppliers (and potential Licensed Suppliers) only.

Question	Response
Q1: If this Modification Proposal is implemented and a facility to allocate specific NHH MPANs to specific BM Units is made available, would you use it? Immediately, or in the future?	As a Supplier probably not – as a Non Physical Trading Party we would use it along with MVRNs if a counterparty wanted us to provide such a contract structure.

2. Modification Proposal P041 – Issues raised by the Proposer’s Rationale

Question	Response
<p>Q1: As described in section 3.1 Item 1 ‘Metered Volume Reallocations for Non Half Hourly Customers’, the Proposer has stated that the Modification Proposal will allow the imbalance risk associated with a given group of Non Half Hourly customers to be transferred to another BSC Party through an MVRN, and that this will have the effect of promoting competition in the supply and generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>Not really. This could be done via a bilateral contract and participants own software development currently. It is true to say that if the proposal were implemented it may avoid the need for participants to develop their own reporting requirements.</p>
<p>Q2: As described in section 3.1 Item 2 ‘Additional Flexibility for Embedded Generators’, the Proposer has stated that the Modification Proposal will allow more flexibility in choosing which demand customers to allocate to the same BM Unit as an embedded generator, and that this will have the effect of promoting competition in the generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>Disagree. The process of allocating specific NHH MPANs would tend to reduce the demand of a BM Unit and as the point the proposer is making is that the minimum demand of the BM Unit needs to be greater than the maximum output of the Non Code Generator in order to gain maximum embedded benefits, the logic of the argument seems counter-intuitive at best.</p>
<p>Q3: As described in section 3.1 Item 3 ‘Enhanced Settlement Reporting’, the Proposer has stated that the Modification Proposal will allow Suppliers to receive total metered volumes for specified groups of Non Half Hourly customers in their settlement report, and that this will have the effect of promoting competition in the supply of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>Disagree. The purpose of the Settlement Reports is, as their name implies, to report to Supplier’s on their settlement data. Whether it is or is not a convenient format for other Supplier / Trader functions is incidental.</p>
<p>Q4: Are there any other issues which you believe the Modification Group should take into account when forming a recommendation on whether the Modification Proposal better facilitates the Applicable BSC Objectives?</p>	
<p>Q5: With reference to section 3.1.1, do you agree with the proposer’s perceived beneficiaries of this Modification Proposal?</p>	<p>No – we believe that the Proposer’s assertions are based on an erroneous view of how the BSC works.</p>
<p>Q6: With reference to section 3.1.1, do you accept that since most parties to the BSC could benefit from this Modification Proposal, all BSC Parties should share its costs?</p>	<p>Charging the Proposer for the specific development costs of a Mod would open up all sorts of problems for the future. Even though we do not support the proposal, if the Authority were to direct that the Modification proposal be made the costs should be recovered through the current sharing arrangements.</p>

3. P41 – Issues raised by the VAMG first meeting (section 3.2.1)

Question	Response
Q1: Do you agree that the definition of this Modification Proposal should emulate, where possible, the existing design for BM Unit Registration and Specific HH MPAN Allocation?	Yes
Q2: Do you agree, that the definition of this Modification Proposal should state that Specific NHH MPAN BM Unit Allocation should be subject to the same general degree of validation testing as that currently used for HH MPAN BM Unit Allocation?	Yes
Q3: With reference to the proposed 'before Gateway' validation test, do you agree that it is still correct to use NHHDA's Gateway receipt date/time? Could this be relaxed such that this Modification Proposal could be totally contained within the current ELEXON software application to, say, when the data flow file was created in the ELEXON's NHHDA software application environment? Or when it was first created by the sending Supplier?	It is "correct" in the sense that it is consistent with Q1. If the same principle can be achieved in an easier way, fine.
<p>Q4: Do you think that support for this Modification Proposal should be mandatory or optional for NHHDAs bearing in mind the implications of a 'standard' ELEXON NHHDA application and the extra functionality that may have to be developed by the NHHDAs themselves in order to support the 'before Settlement Day' validation test?</p> <p>If the decision was mandatory, would you prefer it to be with a defined implementation date, or with a defined 'implementation window'?</p> <p>Are there any other issues, related to the NHHDA mandatory/optional issue, that should be discussed by the VAMG?</p>	<p>In terms of total cost it probably does make a lot of difference. If it is mandatory then the NHHDA software change is "easier" but NHHDAs will all have to do their own systems work. If it is voluntary then NHHDAs do not have to do any systems work but the Elexon NHHDA software changes will be more complex and one assumes more expensive.</p> <p>Defined Date</p> <p>In view of Q5 is there an option evn if the Mod is mandatory that the NHHDA software would still output the SPM ?</p>
Q5: Do you agree, that it should be optional for Supplier's as to whether they continue to receive the current Supplier Purchase Matrix Data File (D0041) data flow, or a revised new data flow giving SPM by BM Unit information supporting this Modification Proposal? (Note: this choice would only be available if the source NHHDA supported the Modification Proposal)	Depends on the decision as to mandatory or optional. If mandatory then the Settlement Report would be BM Unit level – even if it was the default one. If it is optional then the NHHDA would still be able to use the SPM Output ?
Q6: Do you agree, that the proposed facility to be able to allocate specific NHH MPANs to specific BM Units, supplements, rather than replaces, the existing NHH facility to allocate PC/SSC groups of NHH MPANs? Do you agree with the proposed	Yes and Yes

Question	Response
rules of precedence?	
Q7: Do you agree, that the definition of this Modification Proposal should allow for individual HH and NHH Metering Systems to be allocated to the same Additional BM Unit?	Yes

4. P41 - Alternative Modification Proposals (Reference: section 3.2.2)

Question	Response
Q1: Do you agree that replacing the NHH Metering Systems with HH Metering Systems, such that the existing functionality of the BSC can be used, represents a serious alternative solution? Would there be any problems with this approach?	Depends on the number of MPANs and the costs of the HH metering in comparison to the proposed development costs. As the functionality would implement a national solution, if the majority of Suppliers wanted this then the HH option is not considered credible.
Q2: Do you agree that the desired functionality of this Modification Proposal is better achieved by each Supplier implementing their own software solution? If so, are there any problems with this approach?	Yes.
Q3: Are there any other solutions to the issues raised by P41 (either Alternative Modification Proposals or solutions that don't require changes to the BSC) that you believe the Modification Group should consider?	

5. P41 – Any other questions/issues that you think should be considered by the VAMG

Question	Response
Q1:	
Q2:	
Q3:	
Q4:	

P41_DEF_002 – SEEBOARD

Annex 1: - P041 Definition Consultation Questions

Name: Dave Morton

Organisation: SEEBOARD

Response provided on behalf of: Seeboard Energy Limited and Seeboard Power Networks plc

1. P41 *This question is relevant to Licensed Suppliers (and potential Licensed Suppliers) only.*

Question	Response
Q1: If this Modification Proposal is implemented and a facility to allocate specific NHH MPANs to specific BM Units is made available, would you use it? Immediately, or in the future?	We would not use this facility immediately and do not currently use the equivalent HH arrangements. Currently we judge it unlikely that we would ever use HH or NHH allocation.

2. Modification Proposal P041 – Issues raised by the Proposer’s Rationale

Question	Response
<p>Q1: As described in section 3.1 Item 1 ‘Metered Volume Reallocations for Non Half Hourly Customers’, the Proposer has stated that the Modification Proposal will allow the imbalance risk associated with a given group of Non Half Hourly customers to be transferred to another BSC Party through an MVRN, and that this will have the effect of promoting competition in the supply and generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>We agree that this proposal would tend to promote competition, however the question is by how much? We suspect few BSC Parties would wish to take advantage of the proposal, representing only a small volume of electricity. <u>The Modification Group should review current usage of HH facility</u> – the probability is that NHH would be less widely used. Our reasons being that much more D0297 administration activity per Mwh is required.</p>
<p>Q2: As described in section 3.1 Item 2 ‘Additional Flexibility for Embedded Generators’, the Proposer has stated that the Modification Proposal will allow more flexibility in choosing which demand customers to allocate to the same BM Unit as an embedded generator, and that this will have the effect of promoting competition in the generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>We agree that this proposal would tend to promote competition, however once again the question is by how much? The extra administration compared with using HH facility would eat into any benefit. It would be easier to allocate 10 HH customers using existing arrangements than 1000 NHH customers under the proposal to achieve this objective.</p>
<p>Q3: As described in section 3.1 Item 3 ‘Enhanced Settlement Reporting’, the Proposer has stated that the Modification Proposal will allow Suppliers to receive total metered volumes for specified groups of Non Half Hourly customers in their settlement report, and that this will have the effect of promoting competition in the supply of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>We agree with the comments of VAMG in section 3.2. This modification might save small suppliers extracting metered volumes for groups of customers from their own systems and as such reduce their costs. BSC Modifications should not, however, proceed on this basis unless there are other good reasons to do so.</p>
<p>Q4: Are there any other issues which you believe the Modification Group should take into account when forming a recommendation on whether the Modification Proposal better facilitates the Applicable BSC Objectives?</p>	<p>Modification Group should consider costs and benefits of this proposal. Whilst there might be some small theoretical benefits they are likely to be difficult, and costly, to achieve in practice.</p>
<p>Q5: With reference to section 3.1.1, do you agree with the proposer’s perceived beneficiaries of this Modification Proposal?</p>	<p>Very small players are most likely to benefit from this modification. However these benefits are only likely to be marginal at best. We disagree that all parties are likely to use this facility if available.</p>
<p>Q6: With reference to section 3.1.1, do you accept that since most parties to the BSC could benefit from this Modification Proposal, all BSC Parties should share its costs?</p>	<p>We agree with these standard cost sharing arrangements, so long as a clear cost benefit case can be established.</p>

3. P41 – Issues raised by the VAMG first meeting (section 3.2.1)

Question	Response
Q1: Do you agree that the definition of this Modification Proposal should emulate, where possible, the existing design for BM Unit Registration and Specific HH MPAN Allocation?	We agree with this suggestion if this modification proceeds.
Q2: Do you agree, that the definition of this Modification Proposal should state that Specific NHH MPAN BM Unit Allocation should be subject to the same general degree of validation testing as that currently used for HH MPAN BM Unit Allocation?	We agree with this suggestion if this modification proceeds.
Q3: With reference to the proposed 'before Gateway' validation test, do you agree that it is still correct to use NHHDA's Gateway receipt date/time? Could this be relaxed such that this Modification Proposal could be totally contained within the current ELEXON software application to, say, when the data flow file was created in the ELEXON's NHHDA software application environment? Or when it was first created by the sending Supplier?	We agree with the suggestion of a relaxation if this modification proceeds.
Q4: Do you think that support for this Modification Proposal should be mandatory or optional for NHHDA's bearing in mind the implications of a 'standard' ELEXON NHHDA application and the extra functionality that may have to be developed by the NHHDA's themselves in order to support the 'before Settlement Day' validation test? If the decision was mandatory, would you prefer it to be with a defined implementation date, or with a defined 'implementation window'? Are there any other issues, related to the NHHDA mandatory/optional issue, that should be discussed by the VAMG?	We would prefer to see all aspects of this proposal as optional. There should be no impact on our systems from a facility we do not plan to use. An implementation window would be essential.
Q5: Do you agree, that it should be optional for Supplier's as to whether they continue to receive the current Supplier Purchase Matrix Data File (D0041) data flow, or a revised new data flow giving SPM by BM Unit information supporting this Modification Proposal? (Note: this choice would only be available if the source NHHDA supported the Modification Proposal)	We would prefer to see all aspects of this proposal as optional. There should be no impact on our systems from a facility we do not plan to use.
Q6: Do you agree, that the proposed facility to be able to allocate specific NHH MPANs to specific BM Units, supplements, rather than replaces, the existing NHH facility to allocate PC/SSC groups of NHH MPANs? Do you agree with the proposed rules of precedence?	No view
Q7: Do you agree, that the definition of this Modification Proposal should allow for individual HH and NHH Metering Systems to be allocated to the same Additional BM Unit?	No view

4. P41 - Alternative Modification Proposals (Reference: section 3.2.2)

Question	Response
Q1: Do you agree that replacing the NHH Metering Systems with HH Metering Systems, such that the existing functionality of the BSC can be used, represents a serious alternative solution? Would there be any problems with this approach?	The costs of meter changes of this nature almost never pay for themselves. All of the benefit and more are likely be lost.
Q2: Do you agree that the desired functionality of this Modification Proposal is better achieved by each Supplier implementing their own software solution? If so, are there any problems with this approach?	This would seem to compare a change at the NHHDA and within Settlement with some new reports from participants own systems. It is felt that a party could create these reports with little difficulty so from our perspective we do not agree. However, others might hold the view that creating such reports is not easy.
Q3: Are there any other solutions to the issues raised by P41 (either Alternative Modification Proposals or solutions that don't require changes to the BSC) that you believe the Modification Group should consider?	

5. P41 – Any other questions/issues that you think should be considered by the VAMG

Question	Response
Q1:	
Q2:	
Q3:	
Q4:	

P41_DEF_003 – London Electricity Group

Annex 1: - P041 Definition Consultation Questions

Name: HARISH MISTRY

Organisation: LONDON ELECTRICITY GROUP

Response provided on behalf of: LONDON ELECTRICITY GROUP AND LONDON ELCECTRICITY PLC

WE DO NOT SUPPORT THE MOIFICATION AS RAISED BY THE PROPOSER HOWEVER WE DO AGREE WITH THE ALTERNATIVE SOLUTION PORPOSED BY THE VAMG IN SECTION 3.2.2

1. P41 *This question is relevant to Licensed Suppliers (and potential Licensed Suppliers) only.*

Question	Response
Q1: If this Modification Proposal is implemented and a facility to allocate specific NHH MPANs to specific BM Units is made available, would you use it? Immediately, or in the future?	NO

2. Modification Proposal P041 – Issues raised by the Proposer’s Rationale

Question	Response
<p>Q1: As described in section 3.1 Item 1 ‘Metered Volume Reallocations for Non Half Hourly Customers’, the Proposer has stated that the Modification Proposal will allow the imbalance risk associated with a given group of Non Half Hourly customers to be transferred to another BSC Party through an MVRN, and that this will have the effect of promoting competition in the supply and generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>WE DON’T AGREE, WE PREFER THIS TO BE DONE BY SUPPLIERS IMPLEMENTING SOLUTIONS IN THEIR OWN SYSTEM</p>
<p>Q2: As described in section 3.1 Item 2 ‘Additional Flexibility for Embedded Generators’, the Proposer has stated that the Modification Proposal will allow more flexibility in choosing which demand customers to allocate to the same BM Unit as an embedded generator, and that this will have the effect of promoting competition in the generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>DISAGREE</p>
<p>Q3: As described in section 3.1 Item 3 ‘Enhanced Settlement Reporting’, the Proposer has stated that the Modification Proposal will allow Suppliers to receive total metered volumes for specified groups of Non Half Hourly customers in their settlement report, and that this will have the effect of promoting competition in the supply of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>WE PREFER THIS TO BE DONE BY SUPPLIERS IMPLEMENTING SOLUTIONS IN THEIR OWN SYSTEM</p>
<p>Q4: Are there any other issues which you believe the Modification Group should take into account when forming a recommendation on whether the Modification Proposal better facilitates the Applicable BSC Objectives?</p>	<p>WE PREFER ALTERNATIVE SOLUTION PROPOSED MY THE MODOFICATION GROUP IN SECTION 3.2.2</p>
<p>Q5: With reference to section 3.1.1, do you agree with the proposer’s perceived beneficiaries of this Modification Proposal?</p>	
<p>Q6: With reference to section 3.1.1, do you accept that since most parties to the BSC could benefit from this Modification Proposal, all BSC Parties should share its costs?</p>	<p>WE STRONGLY DISAGREE WITH THIS STATEMENT</p>

3. P41 – Issues raised by the VAMG first meeting (section 3.2.1)

Question	Response
Q1: Do you agree that the definition of this Modification Proposal should emulate, where possible, the existing design for BM Unit Registration and Specific HH MPAN Allocation?	
Q2: Do you agree, that the definition of this Modification Proposal should state that Specific NHH MPAN BM Unit Allocation should be subject to the same general degree of validation testing as that currently used for HH MPAN BM Unit Allocation?	
Q3: With reference to the proposed 'before Gateway' validation test, do you agree that it is still correct to use NHHDA's Gateway receipt date/time? Could this be relaxed such that this Modification Proposal could be totally contained within the current ELEXON software application to, say, when the data flow file was created in the ELEXON's NHHDA software application environment? Or when it was first created by the sending Supplier?	
Q4: Do you think that support for this Modification Proposal should be mandatory or optional for NHHDA's bearing in mind the implications of a 'standard' ELEXON NHHDA application and the extra functionality that may have to be developed by the NHHDA's themselves in order to support the 'before Settlement Day' validation test? If the decision was mandatory, would you prefer it to be with a defined implementation date, or with a defined 'implementation window'? Are there any other issues, related to the NHHDA mandatory/optional issue, that should be discussed by the VAMG?	
Q5: Do you agree, that it should be optional for Supplier's as to whether they continue to receive the current Supplier Purchase Matrix Data File (D0041) data flow, or a revised new data flow giving SPM by BM Unit information supporting this Modification Proposal? (Note: this choice would only be available if the source NHHDA supported the Modification Proposal)	
Q6: Do you agree, that the proposed facility to be able to allocate specific NHH MPANs to specific BM Units, supplements, rather than replaces, the existing NHH facility to allocate PC/SSC groups of NHH MPANs? Do you agree with the proposed rules of precedence?	
Q7: Do you agree, that the definition of this Modification Proposal should allow for individual HH and NHH Metering Systems to be allocated to the same Additional BM Unit?	

4. P41 - Alternative Modification Proposals (Reference: section 3.2.2)

Question	Response
Q1: Do you agree that replacing the NHH Metering Systems with HH Metering Systems, such that the existing functionality of the BSC can be used, represents a serious alternative solution? Would there be any problems with this approach?	YES
Q2: Do you agree that the desired functionality of this Modification Proposal is better achieved by each Supplier implementing their own software solution? If so, are there any problems with this approach?	YES
Q3: Are there any other solutions to the issues raised by P41 (either Alternative Modification Proposals or solutions that don't require changes to the BSC) that you believe the Modification Group should consider?	-

5. P41 – Any other questions/issues that you think should be considered by the VAMG

Question	Response
Q1:	
Q2:	
Q3:	
Q4:	

P41_DEF_004 – British Gas Trading

Modification Proposal 41: Allocation Of individual NHH MPANS To different BM Units

Thank you for the opportunity of responding to this modification proposal. British Gas Trading (BGT) does support this modification proposal in part however BGT felt there are better alternatives facilitating the Applicable BSC Objectives.

Attached are the Modification questions and our responses as requested should you require any further clarification please feel free to contact me directly.

Yours faithfully
Andrew Latham
Account Manager

Annex 1: - P041 Definition Consultation Questions

Name: Andrew Latham

Organisation: British Gas Trading

1. P41 This question is relevant to Licensed Suppliers (and potential Licensed Suppliers) only.

Question	Response
Q1: If this Modification Proposal is implemented and a facility to allocate specific NHH MPANS to specific BM Units is made available, would you use it? Immediately, or in the future?	May be in the future

2. Modification Proposal P041 – Issues raised by the Proposer’s Rationale

Question	Response
<p>Q1: As described in section 3.1 Item 1 ‘Metered Volume Reallocations for Non Half Hourly Customers’, the Proposer has stated that the Modification Proposal will allow the imbalance risk associated with a given group of Non Half Hourly customers to be transferred to another BSC Party through an MVRN, and that this will have the effect of promoting competition in the supply and generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>Agree. However there will be costs associated with the central IT System for which costs have not been supplied and these may outweigh the benefits. In addition, the purposes to which these extra BMUs would be put, as described in this modification proposal, could equally be carried out through development of internal systems.</p>
<p>Q2: As described in section 3.1 Item 2 ‘Additional Flexibility for Embedded Generators’, the Proposer has stated that the Modification Proposal will allow more flexibility in choosing which demand customers to allocate to the same BM Unit as an embedded generator, and that this will have the effect of promoting competition in the generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>Agree</p>
<p>Q3: As described in section 3.1 Item 3 ‘Enhanced Settlement Reporting’, the Proposer has stated that the Modification Proposal will allow Suppliers to receive total metered volumes for specified groups of Non Half Hourly customers in their settlement report, and that this will have the effect of promoting competition in the supply of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>Disagree. Whilst there is some value in this statement there are other ways of extracting this information from internal systems and from existing industry dataflows.</p>
<p>Q4: Are there any other issues which you believe the Modification Group should take into account when forming a recommendation on whether the Modification Proposal better facilitates the Applicable BSC Objectives?</p>	<p>No</p>
<p>Q5: With reference to section 3.1.1, do you agree with the proposers perceived beneficiaries of this Modification Proposal?</p>	<p>Yes</p>
<p>Q6: With reference to section 3.1.1, do you accept that since most parties to the BSC could benefit from this Modification Proposal, all BSC Parties should share its costs?</p>	<p>No. as BGT have stated before this data could be extracted by thoughtful use of internal systems it is possible to extract this information without a Code change.</p>

3. P41 – Issues raised by the VAMG first meeting (section 3.2.1)

Question	Response
Q1: Do you agree that the definition of this Modification Proposal should emulate, where possible, the existing design for BM Unit Registration and Specific HH MPAN Allocation?	Yes
Q2: Do you agree, that the definition of this Modification Proposal should state that Specific NHH MPAN BM Unit Allocation should be subject to the same general degree of validation testing as that currently used for HH MPAN BM Unit Allocation?	Yes
Q3: With reference to the proposed 'before Gateway' validation tests, do you agree that it is still correct to use NHHDA's Gateway receipt date/time? Could this be relaxed such that this Modification Proposal could be totally contained within the current ELEXON software application to, say, when the data flow file was created in the ELEXON's NHHDA software application environment? Or when it was first created by the sending Supplier?	Yes No Yes
Q4: Do you think that support for this Modification Proposal should be mandatory or optional for NHHDAs bearing in mind the implications of a 'standard' ELEXON NHHDA application and the extra functionality that may have to be developed by the NHHDAs themselves in order to support the 'before Settlement Day' validation test? If the decision was mandatory, would you prefer it to be with a defined implementation date, or with a defined 'implementation window'? Are there any other issues, related to the NHHDA mandatory/optional issue, that should be discussed by the VAMG?	No Yes
Q5: Do you agree, that it should be optional for Supplier's as to whether they continue to receive the current Supplier Purchase Matrix Data File (D0041) data flow, or a revised new data flow giving SPM by BM Unit information supporting this Modification Proposal? (Note: this choice would only be available if the source NHHDA supported the Modification Proposal)	Yes, however there will be system enhancements internally if we receive a different dataflow and at this stage the impact costs cannot be clarified.
Q6: Do you agree, that the proposed facility to be able to allocate specific NHH MPANs to specific BM Units, supplements, rather than replaces, the existing NHH facility to allocate PC/SSC groups of NHH MPANs? Do you agree with the proposed rules of precedence?	Yes
Q7: Do you agree, that the definition of this Modification Proposal should allow for individual HH and NHH Metering Systems to be allocated to the same Additional BM Unit?	Yes

4. P41 - Alternative Modification Proposals (Reference: section 3.2.2)

Question	Response
Q1: Do you agree that replacing the NHH Metering Systems with HH Metering Systems, such that the existing functionality of the BSC can be used, represents a serious alternative solution? Would there be any problems with this approach?	Again there would be a very significant cost element and therefore at this stage we could neither support nor condone. This would be a commercial decision that each supplier would have to make and would depend highly upon the scale and customer class(es) impacted.
Q2: Do you agree that the desired functionality of this Modification Proposal is better achieved by each Supplier implementing their own software solution? If so, are there any problems with this approach?	Yes, we agree with this proposal as the costs would be borne by each consenting supplier's own IT systems therefore the costs would only be levied on those wishing to change to benefit from this modification.
Q3: Are there any other solutions to the issues raised by P41 (either Alternative Modification Proposals or solutions that don't require changes to the BSC) that you believe the Modification Group should consider?	No

5. P41 – Any other questions/issues that you think should be considered by the VAMG

Question	Response
Q1:	
Q2:	
Q3:	
Q4:	

P41_DEF_005 – Scottish & Southern Energy plc

Annex 1: - P041 Definition Consultation Questions

Name: Garth Graham

Organisation: Scottish & Southern Energy plc

Response provided on behalf of: Southern Electric, Scottish and Southern Energy, Keadby Generation Ltd. and SSE Energy Supply Ltd.

1. P41 *This question is relevant to Licensed Suppliers (and potential Licensed Suppliers) only.*

Question	Response
Q1: If this Modification Proposal is implemented and a facility to allocate specific NHH MPANs to specific BM Units is made available, would you use it? Immediately, or in the future?	Possibly in the future

2. Modification Proposal P041 – Issues raised by the Proposer’s Rationale

Question	Response
<p>Q1: As described in section 3.1 Item 1 ‘Metered Volume Reallocations for Non Half Hourly Customers’, the Proposer has stated that the Modification Proposal will allow the imbalance risk associated with a given group of Non Half Hourly customers to be transferred to another BSC Party through an MVRN, and that this will have the effect of promoting competition in the supply and generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>It may well have the desired effect. However, as noted in the Definition Consultation Paper there are other approaches for Suppliers to use before this Modification should be considered.</p>
<p>Q2: As described in section 3.1 Item 2 ‘Additional Flexibility for Embedded Generators’, the Proposer has stated that the Modification Proposal will allow more flexibility in choosing which demand customers to allocate to the same BM Unit as an embedded generator, and that this will have the effect of promoting competition in the generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>It may well have the desired effect. However, as noted in the Definition Consultation Paper there are other approaches for Suppliers to use before this Modification should be considered.</p>
<p>Q3: As described in section 3.1 Item 3 ‘Enhanced Settlement Reporting’, the Proposer has stated that the Modification Proposal will allow Suppliers to receive total metered volumes for specified groups of Non Half Hourly customers in their settlement report, and that this will have the effect of promoting competition in the supply of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>It may well have the desired effect. However, as noted in the Definition Consultation Paper there are other approaches for Suppliers to use before this Modification should be considered.</p>
<p>Q4: Are there any other issues which you believe the Modification Group should take into account when forming a recommendation on whether the Modification Proposal better facilitates the Applicable BSC Objectives?</p>	
<p>Q5: With reference to section 3.1.1, do you agree with the proposer’s perceived beneficiaries of this Modification Proposal?</p>	<p>It may well have the desired effect. However, as noted in the Definition Consultation Paper there are other approaches for Suppliers to use before this Modification should be considered.</p>
<p>Q6: With reference to section 3.1.1, do you accept that since most parties to the BSC could benefit from this Modification Proposal, all BSC Parties should share its costs?</p>	<p>No. As noted in the Definition Consultation Paper there are other approaches which Suppliers may use before this Modification should be considered; and it would be unequitable for them to pay for those Suppliers who choose not to invest in changing their approach.</p>

3. P41 – Issues raised by the VAMG first meeting (section 3.2.1)

Question	Response
Q1: Do you agree that the definition of this Modification Proposal should emulate, where possible, the existing design for BM Unit Registration and Specific HH MPAN Allocation?	
Q2: Do you agree, that the definition of this Modification Proposal should state that Specific NHH MPAN BM Unit Allocation should be subject to the same general degree of validation testing as that currently used for HH MPAN BM Unit Allocation?	
Q3: With reference to the proposed 'before Gateway' validation test, do you agree that it is still correct to use NHHDA's Gateway receipt date/time? Could this be relaxed such that this Modification Proposal could be totally contained within the current ELEXON software application to, say, when the data flow file was created in the ELEXON's NHHDA software application environment? Or when it was first created by the sending Supplier?	
Q4: Do you think that support for this Modification Proposal should be mandatory or optional for NHHDAs bearing in mind the implications of a 'standard' ELEXON NHHDA application and the extra functionality that may have to be developed by the NHHDAs themselves in order to support the 'before Settlement Day' validation test? If the decision was mandatory, would you prefer it to be with a defined implementation date, or with a defined 'implementation window'? Are there any other issues, related to the NHHDA mandatory/optional issue, that should be discussed by the VAMG?	
Q5: Do you agree, that it should be optional for Supplier's as to whether they continue to receive the current Supplier Purchase Matrix Data File (D0041) data flow, or a revised new data flow giving SPM by BM Unit information supporting this Modification Proposal? (Note: this choice would only be available if the source NHHDA supported the Modification Proposal)	
Q6: Do you agree, that the proposed facility to be able to allocate specific NHH MPANs to specific BM Units, supplements, rather than replaces, the existing NHH facility to allocate PC/SSC groups of NHH MPANs? Do you agree with the proposed rules of precedence?	
Q7: Do you agree, that the definition of this Modification Proposal should allow for individual HH and NHH Metering Systems to be allocated to the same Additional BM Unit?	

4. P41 - Alternative Modification Proposals (Reference: section 3.2.2)

Question	Response
Q1: Do you agree that replacing the NHH Metering Systems with HH Metering Systems, such that the existing functionality of the BSC can be used, represents a serious alternative solution? Would there be any problems with this approach?	
Q2: Do you agree that the desired functionality of this Modification Proposal is better achieved by each Supplier implementing their own software solution? If so, are there any problems with this approach?	
Q3: Are there any other solutions to the issues raised by P41 (either Alternative Modification Proposals or solutions that don't require changes to the BSC) that you believe the Modification Group should consider?	

5. P41 – Any other questions/issues that you think should be considered by the VAMG

Question	Response
Q1:	
Q2:	
Q3:	
Q4:	

P41_DEF_006 – Npower Limited

Annex 1: - P041 Definition Consultation Questions

Name: Terry Ballard

Organisation: Npower Limited

Response provided on behalf of: Innogy plc, Innogy Cogen Limited, Npower Limited, Npower Direct Limited, Npower Northern Limited, Npower Northern Supply Limited, Npower Yorkshire Limited, Npower Yorkshire Supply Limited

1. P41 *This question is relevant to Licensed Suppliers (and potential Licensed Suppliers) only.*

Question	Response
Q1: If this Modification Proposal is implemented and a facility to allocate specific NHH MPANs to specific BM Units is made available, would you use it? Immediately, or in the future?	No

2. Modification Proposal P041 – Issues raised by the Proposer’s Rationale

Question	Response
<p>Q1: As described in section 3.1 Item 1 ‘Metered Volume Reallocations for Non Half Hourly Customers’, the Proposer has stated that the Modification Proposal will allow the imbalance risk associated with a given group of Non Half Hourly customers to be transferred to another BSC Party through an MVRN, and that this will have the effect of promoting competition in the supply and generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>We disagree. We cannot see how transferring the Imbalance Settlement risk of a group of NHH customers (as opposed to a larger portfolio) can help, since such a transfer will not come without commercial cost and it will almost certainly lead to larger relative volume uncertainty (and hence risk/cost) for the ‘rump’ which are left behind. A better result could probably be achieved by using a percentage MVRN based on a base BM Unit of and Additional BM Unit based on PC/SSC. Furthermore, even if it worked, by imposing an industry solution, this Mod would remove the opportunity for new entrants to offer a differentiated service and hence capture a potential niche market.</p>
<p>Q2: As described in section 3.1 Item 2 ‘Additional Flexibility for Embedded Generators’, the Proposer has stated that the Modification Proposal will allow more flexibility in choosing which demand customers to allocate to the same BM Unit as an embedded generator, and that this will have the effect of promoting competition in the generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>We disagree. As stated in our response to Q1, splitting NHH customers into smaller groups is actually likely to lead to larger relative volume uncertainty, and hence make it more difficult to match embedded generation to demand, not easier.</p>
<p>Q3: As described in section 3.1 Item 3 ‘Enhanced Settlement Reporting’, the Proposer has stated that the Modification Proposal will allow Suppliers to receive total metered volumes for specified groups of Non Half Hourly customers in their settlement report, and that this will have the effect of promoting competition in the supply of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>We disagree. Suppliers can already do this for themselves in a way which is much more flexible to meet their specific requirements, and therefore offers greater opportunities for competition.</p>
<p>Q4: Are there any other issues which you believe the Modification Group should take into account when forming a recommendation on whether the Modification Proposal better facilitates the Applicable BSC Objectives?</p>	<p>This Modification Proposal seems to be based on a fundamental misconception that Contract Volume Notifications are made at the BM Unit level. It does not achieve anything which cannot already be done under the BSC more effectively by other means. Since it is likely to require fundamental changes to NHHDA, SVAA and Supplier systems, which are likely to be extremely costly, it is difficult to see how further consideration of this Modification Proposal can be consistent with the Panel objective defined in BSC Section B 1.2.1 (d).</p>

Question	Response
Q5: With reference to section 3.1.1, do you agree with the proposer's perceived beneficiaries of this Modification Proposal?	No.
Q6: With reference to section 3.1.1, do you accept that since most parties to the BSC could benefit from this Modification Proposal, all BSC Parties should share its costs?	No. Many Suppliers already have alternative processes in place and therefore will not benefit from this Modification.

3. P41 – Issues raised by the VAMG first meeting (section 3.2.1)

Question	Response
Q1: Do you agree that the definition of this Modification Proposal should emulate, where possible, the existing design for BM Unit Registration and Specific HH MPAN Allocation?	Yes
Q2: Do you agree, that the definition of this Modification Proposal should state that Specific NHH MPAN BM Unit Allocation should be subject to the same general degree of validation testing as that currently used for HH MPAN BM Unit Allocation?	Yes, although clearly the issue of timestamp visibility needs to be addressed.
Q3: With reference to the proposed 'before Gateway' validation test, do you agree that it is still correct to use NHHDA's Gateway receipt date/time? Could this be relaxed such that this Modification Proposal could be totally contained within the current ELEXON software application to, say, when the data flow file was created in the ELEXON's NHHDA software application environment? Or when it was first created by the sending Supplier?	
Q4: Do you think that support for this Modification Proposal should be mandatory or optional for NHHDA's bearing in mind the implications of a 'standard' ELEXON NHHDA application and the extra functionality that may have to be developed by the NHHDA's themselves in order to support the 'before Settlement Day' validation test? If the decision was mandatory, would you prefer it to be with a defined implementation date, or with a defined 'implementation window'? Are there any other issues, related to the NHHDA mandatory/optional issue, that should be discussed by the VAMG?	Since we do not have a requirement for this functionality, we feel it should be optional for NHHDA's and Suppliers. Suppliers wanting it would still be free to contract with an Agent who was willing to provide it.
Q5: Do you agree, that it should be optional for Supplier's as to whether they continue to receive the current Supplier Purchase Matrix Data File (D0041) data flow, or a revised new data flow giving SPM by BM Unit information supporting this Modification Proposal? (Note: this choice would only be available if the source NHHDA supported the Modification Proposal)	Yes.
Q6: Do you agree, that the proposed facility to be able to allocate specific NHH MPANs to specific BM Units, supplements, rather than replaces, the existing NHH facility to allocate PC/SSC groups of NHH MPANs? Do you agree with the proposed rules of precedence?	
Q7: Do you agree, that the definition of this Modification Proposal should allow for individual HH and NHH Metering Systems to be allocated to the same Additional BM Unit?	

4. P41 - Alternative Modification Proposals (Reference: section 3.2.2)

Question	Response
Q1: Do you agree that replacing the NHH Metering Systems with HH Metering Systems, such that the existing functionality of the BSC can be used, represents a serious alternative solution? Would there be any problems with this approach?	This is certainly a viable option for larger customers, and provides the opportunity for more detailed monitoring and analysis of energy consumption patterns.
Q2: Do you agree that the desired functionality of this Modification Proposal is better achieved by each Supplier implementing their own software solution? If so, are there any problems with this approach?	Yes, this certainly affords more flexibility for the Supplier. Problems are no more than the normal ones for developing Supplier systems.
Q3: Are there any other solutions to the issues raised by P41 (either Alternative Modification Proposals or solutions that don't require changes to the BSC) that you believe the Modification Group should consider?	Use of Percentage MVRNs in conjunction with allocation of PC/SSCs to Additional BM Units.

5. P41 – Any other questions/issues that you think should be considered by the VAMG

Question	Response
Q1:	
Q2:	
Q3:	
Q4:	

P41_DEF_007 – British Energy

Modification Proposal P41 - Suppliers to allocate specific NHH MPANs to specific registered Additional BM Units

British Energy acknowledges that a capability to associate any Non-Half Hourly meter registered in SMRS with any Additional BM Unit within the same GSP Group would provide increased flexibility for various commercial purposes. However, we are concerned that the significant cost of providing such a facility centrally could outweigh the unquantified benefits. In the absence of more evidence of the materiality of the achievable benefits, we do not support the proposal.

Martin Mate
for
British Energy Power & Energy Trading Ltd
British Energy Generation Ltd
Eggborough Power Ltd

P41_DEF_008 – Powergen UK plc

P41 - Allocation of individual NHH MPANs to different BM Units

I am writing in response to the consultation on the above modification proposal. This response is made on behalf of Powergen UK plc, Powergen Retail Limited, Diamond Power Generation Limited and Cottam Development Centre Limited.

We are strongly of the opinion that the implementation of this modification proposal would not better achieve the BSC objectives. The present arrangements are designed around a number of principles:

For the NHH market there a large number of sites with relatively small demand. Therefore, data should be aggregated early in the process to minimise the amount of processing.

For the HH market sites are fewer in number, less standard in terms of consumption profile and are typically for significantly higher volumes. The nature of the data also means that less processing is required.

Consequently, in the SVA process for the NHH market, data is aggregated together prior to other calculations such as the application of profile coefficients. This proposal would allow for data to be allocated to BMUs on an individual MPAN basis. The implication of this is that calculations will have to be carried out at the MPAN level for more of the SVA process.

Clearly, this is a fundamental change to the arrangements, the only justification for which appears to be to provide functionality which should be provided by suppliers' internal systems. This would have significant cost implications for all Parties which would clearly outweigh any potential benefits. We therefore consider that the proposal should be rejected at the earliest opportunity.

Our response to the questionnaire is attached. Please contact me in the first instance on 024 7642 4829 should you wish to discuss this further.

Yours sincerely,
Paul Jones
Strategy and Regulation
Annex 1: - P041 Definition Consultation Questions

Name: Paul Jones

Organisation: Powergen UK plc

Response provided on behalf of: Powergen UK plc, Powergen Retail Limited, Diamond Power Generation Limited, and Cottam Development Centre Limited

1. P41 This question is relevant to Licensed Suppliers (and potential Licensed Suppliers) only.

Question	Response
Q1: If this Modification Proposal is implemented and a facility to allocate specific NHH MPANs to specific BM Units is made available, would you use it? Immediately, or in the future?	It is unlikely.

2. Modification Proposal P041 – Issues raised by the Proposer’s Rationale

Question	Response
<p>Q1: As described in section 3.1 Item 1 ‘Metered Volume Reallocations for Non Half Hourly Customers’, the Proposer has stated that the Modification Proposal will allow the imbalance risk associated with a given group of Non Half Hourly customers to be transferred to another BSC Party through an MVRN, and that this will have the effect of promoting competition in the supply and generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>Nothing in this proposal frees a company to do this. It can already be done. What this proposal allows is for a company to do this without having to create internal systems to track volumes reallocated to other parties.</p>
<p>Q2: As described in section 3.1 Item 2 ‘Additional Flexibility for Embedded Generators’, the Proposer has stated that the Modification Proposal will allow more flexibility in choosing which demand customers to allocate to the same BM Unit as an embedded generator, and that this will have the effect of promoting competition in the generation of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>The general problem with allocating customers to embedded generators is where there is not enough demand to be offset against the embedded generation. This proposal seeks to allocate smaller amounts of demand against generation than is presently possible. If certain groups of customers are to linked to certain generation, then it can only be for the supplier’s internal purposes. Again this appears to be using the market to do the work which should be carried out by the supplier’s internal systems.</p>
<p>Q3: As described in section 3.1 Item 3 ‘Enhanced Settlement Reporting’, the Proposer has stated that the Modification Proposal will allow Suppliers to receive total metered volumes for specified groups of Non Half Hourly customers in their settlement report, and that this will have the effect of promoting competition in the supply of electricity. Do you agree or disagree with this argument? Are there any points you would like the Modification Group to consider when they discuss it?</p>	<p>We do not agree. An important element of promoting competition is to ensure that participants incur the costs they cause. This would have the effect of making all parties pay for a system, the effect of which is to enable some parties to avoid building adequate internal risk management, settlement validation and billing processes.</p>
<p>Q4: Are there any other issues which you believe the Modification Group should take into account when forming a recommendation on whether the Modification Proposal better facilitates the Applicable BSC Objectives?</p>	<p>The cost implications of implementing this proposal are likely to be significant. A high level cost/benefit analysis should be undertaken.</p>
<p>Q5: With reference to section 3.1.1, do you agree with the proposer’s perceived beneficiaries of this Modification Proposal?</p>	<p>No we do not. The arguments in 3.1.1 imply that by having more BM Units this would allow more contracts to be traded. There is no reason why the number of BMU’s a party has should be numerically related to the number of contracts it has struck. Again this is simply a case of the whole industry paying so that some parties can avoid the costs which they should legitimately incur.</p>
<p>Q6: With reference to section 3.1.1, do you accept that since most parties to the BSC could benefit from this Modification Proposal, all BSC Parties should share its costs?</p>	<p>We do not accept that all BSC Parties would benefit from this proposal.</p>

3. P41 – Issues raised by the VAMG first meeting (section 3.2.1)

Question	Response
Q1: Do you agree that the definition of this Modification Proposal should emulate, where possible, the existing design for BM Unit Registration and Specific HH MPAN Allocation?	Yes.
Q2: Do you agree, that the definition of this Modification Proposal should state that Specific NHH MPAN BM Unit Allocation should be subject to the same general degree of validation testing as that currently used for HH MPAN BM Unit Allocation?	Yes.
Q3: With reference to the proposed 'before Gateway' validation test, do you agree that it is still correct to use NHHDA's Gateway receipt date/time? Could this be relaxed such that this Modification Proposal could be totally contained within the current ELEXON software application to, say, when the data flow file was created in the ELEXON's NHHDA software application environment? Or when it was first created by the sending Supplier?	If the receipt time cannot be used then the creation time in NHHDA would appear to be the next best solution.
Q4: Do you think that support for this Modification Proposal should be mandatory or optional for NHHDA's bearing in mind the implications of a 'standard' ELEXON NHHDA application and the extra functionality that may have to be developed by the NHHDA's themselves in order to support the 'before Settlement Day' validation test? If the decision was mandatory, would you prefer it to be with a defined implementation date, or with a defined 'implementation window'? Are there any other issues, related to the NHHDA mandatory/optional issue, that should be discussed by the VAMG?	Support should ideally be optional. However, if changes are made within the NHHDA application to support this, then the increased flexibility that this would entail may increase the cost of the change. A window would appear sensible.
Q5: Do you agree, that it should be optional for Supplier's as to whether they continue to receive the current Supplier Purchase Matrix Data File (D0041) data flow, or a revised new data flow giving SPM by BM Unit information supporting this Modification Proposal? (Note: this choice would only be available if the source NHHDA supported the Modification Proposal)	It should be optional.
Q6: Do you agree, that the proposed facility to be able to allocate specific NHH MPANs to specific BM Units, supplements, rather than replaces, the existing NHH facility to allocate PC/SSC groups of NHH MPANs? Do you agree with the proposed rules of precedence?	It should supplement. However, the changes to processes are likely to be significant. The existing processes apply profile coefficients to meter advances once they have been aggregated by PC/SSC. This change implies that this is done at the meter level. The increase in data that this would entail would be significant.
Q7: Do you agree, that the definition of this Modification Proposal should allow for individual HH and NHH Metering Systems to be allocated to the same Additional BM Unit?	No view.

4. P41 - Alternative Modification Proposals (Reference: section 3.2.2)

Question	Response
Q1: Do you agree that replacing the NHH Metering Systems with HH Metering Systems, such that the existing functionality of the BSC can be used, represents a serious alternative solution? Would there be any problems with this approach?	Yes.
Q2: Do you agree that the desired functionality of this Modification Proposal is better achieved by each Supplier implementing their own software solution? If so, are there any problems with this approach?	We agree. This should be the solution that is adopted for the various reasons given above.
Q3: Are there any other solutions to the issues raised by P41 (either Alternative Modification Proposals or solutions that don't require changes to the BSC) that you believe the Modification Group should consider?	

5. P41 – Any other questions/issues that you think should be considered by the VAMG

Question	Response
Q1:	
Q2:	
Q3:	
Q4:	