

Responses P91 Assessment Consultation

Consultation issued 22 August 2002

Representations were received from the following parties:

No	Company	File Number	No. Parties Represented
1.	SEEBOARD	P91_ASS_001	1
2.	Campbell Carr Ltd	P91_ASS_002	1
3.	TXU Energy	P91_ASS_003	21
4.	LE Group	P91_ASS_004	7
5.	Scottish Power	P91_ASS_005	6
6.	NGC	P91_ASS_006	1
7.	British Gas Trading	P91_ASS_007	1
8.	Scottish and Southern	P91_ASS_008	4
9.	British Energy	P91_ASS_009	3
10.	Aquila Networks	P91_ASS_010	1
11.		P91_ASS_011	
12.		P91_ASS_012	
13.		P91_ASS_013	
14.		P91_ASS_014	
15.		P91_ASS_015	

P91_ASS_001 – SEEBOARD

Company: SEEBOARD Energy Limited

Number of Parties represented: 1

Question	Response
<p>Q1. The Volume Allocation Modification Group (VAMG) determined that P91 would further the Achievement of Applicable BSC Objective (a) by enabling the Transmission Company to fulfill its licence obligations. Do you agree with the VAMG's assessment?</p>	<p>YES</p> <p>Rationale:</p>
<p>Q2. Do you believe that P91 further facilitates the achievement of Applicable BSC Objectives (b) and (c) as set out in the Modification Proposal?</p>	<p>Possibly</p> <p>Rationale:</p> <p>Objective (b) could be better facilitated by this proposal. We do not though feel that competition is better facilitated by this proposal.</p>
<p>Q3. As a result of Modification P7, the Transmission Company requires additional data within the TUoS Report in order to implement its current charging rules. P91 has been raised to enable the Transmission Company to receive the additional data. In recognition of this fact, do you agree with the view of the VAMG that the costs associated with P91 should be recovered from BSC Parties?</p>	<p>NO</p> <p>Rationale:</p> <p>Previous proposals have determined that costs should be borne by those requiring/utilising a proposal. Not all BSC Parties will trade in this manner and, therefore, gain anything from this change or require any changes from current reporting mechanism. Therefore, it would not be appropriate for BSC Parties not requiring such detailed reporting to fund this change.</p>
<p>Any further comments:</p> <p>Having considered potential impacts on SVA systems detailed within documentation we are concerned that testing focuses only on changes within modification. It is clearly stated that risks could occur, as SVA Systems are so complex. A full regression testing approach might be more appropriate to ensure most of risks in making changes to these systems can be mitigated.</p>	

P91_ASS_002 – Campbell Carr Ltd

Company: Campbell Carr Ltd

Number of Parties represented: 1

Question	Response
<p>Q1. The Volume Allocation Modification Group (VAMG) determined that P91 would further the Achievement of Applicable BSC Objective (a) by enabling the Transmission Company to fulfill its licence obligations. Do you agree with the VAMG's assessment?</p>	<p>NO</p> <p>Rationale:</p> <p>In order to calculate the relevant TNUoS charges correctly, the Transmission Company needs only the volumes of half-hourly and non-half hourly data by supplier by GSP Group. The number of BMUs in that GSP Group is not relevant. No evidence seems to have been brought forward that the transmission company was not able to make the calculation over the last year and therefore, the current TUOS report must be adequate.</p>
<p>Q2. Do you believe that P91 further facilitates the achievement of Applicable BSC Objectives (b) and (c) as set out in the Modification Proposal?</p>	<p>NO</p> <p>Rationale:</p> <p>The proposal makes it possible for the Transmission Company to provide a breakdown of TNUoS charges by BMU, which some suppliers are requesting. However, this is a convenience for those suppliers (who should be capable of the same apportionment based on their own figures) but does not add to efficiency in operation of the transmission system per se.</p> <p>By providing a breakdown by BMU for some suppliers, this offers a convenience for those suppliers but, by providing this unnecessary service to such suppliers, the implementation cost will be borne by all BSC Participants, which represents a cross-subsidy rather than a facilitation of competition.</p>
<p>Q3. As a result of Modification P7, the Transmission Company requires additional data within the TUoS Report in order to implement its current charging rules. P91 has been raised to enable the Transmission Company to receive the additional data. In recognition of this fact, do you agree with the view of the VAMG that the costs associated with P91 should be recovered from BSC Parties?</p>	<p>NO</p> <p>Rationale:</p> <p>No evidence has been given that the Transmission Company needs this breakdown in order to levy TNUoS charges correctly, and the implementation of P7 is certainly irrelevant to this. The cost should be borne by the Transmission Company who can then make a</p>

	case to the Authority as to whether it can recover the money via TNUoS charges or else whether it can levy an additional charge on those CUSC parties who require a more detailed breakdown of TNUoS charges – both these factors are outside the BSC and should not be charged to BSC parties through trading charges.
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Any further comments:

With regard to additional services such as is being requested here, the Transmission Company should be treated the same as other BSC parties. Otherwise, trading charges will not be cost reflective.

P91_ASS_003 – TXU Energy

Company: TXU Europe

Number of Parties represented: 21

Question	Response
<p>Q1. The Volume Allocation Modification Group (VAMG) determined that P91 would further the Achievement of Applicable BSC Objective (a) by enabling the Transmission Company to fulfill its licence obligations. Do you agree with the VAMG's assessment?</p>	<p>YES</p> <p>Rationale: The proposal is designed to implement a Charging Methodology which is required by its Licence.</p>
<p>Q2. Do you believe that P91 further facilitates the achievement of Applicable BSC Objectives (b) and (c) as set out in the Modification Proposal?</p>	<p>YES</p> <p>Rationale: It facilitates the implementation of P7 which was deemed to meet (c)</p>
<p>Q3. As a result of Modification P7, the Transmission Company requires additional data within the TUoS Report in order to implement its current charging rules. P91 has been raised to enable the Transmission Company to receive the additional data. In recognition of this fact, do you agree with the view of the VAMG that the costs associated with P91 should be recovered from BSC Parties?</p>	<p>In theory, no. In practice we are content to agree to this.</p> <p>Rationale: If the logic of previous decisions is followed through, it could be argued that this report is required by a single entity (NGC) and as such it should pay for it.</p> <p>In practice any Supplier could elect to utilise P7 and in order to be invoiced appropriately this data would need to be available to NGC. Consequently we are content that the costs of this Proposal should be recovered in the usual manner.</p>
<p>Any further comments:</p>	

P91_ASS_004 – LE Group

Company: LE Group

Number of Parties represented: Seven (London Electricity Group Plc, London Electricity Plc, Jade Power Generation Ltd, Sutton Bridge Power Ltd, West Burton Power, London Power Network Plc and Eastern Power Network Distribution Ltd.)

Question	Response
<p>Q1. The Volume Allocation Modification Group (VAMG) determined that P91 would further the Achievement of Applicable BSC Objective (a) by enabling the Transmission Company to fulfill its licence obligations. Do you agree with the VAMG's assessment?</p>	<p>MAYBE</p> <p>Rationale:</p> <p>The BSC is not the instrument through which NGC fulfills all its licence obligations – it is not clear that this is appropriate in this case</p>
<p>Q2. Do you believe that P91 further facilitates the achievement of Applicable BSC Objectives (b) and (c) as set out in the Modification Proposal?</p>	<p>NO</p> <p>Rationale:</p> <p>Neither of these two applicable objectives are promoted by this modification.</p>
<p>Q3. As a result of Modification P7, the Transmission Company requires additional data within the TUoS Report in order to implement its current charging rules. P91 has been raised to enable the Transmission Company to receive the additional data. In recognition of this fact, do you agree with the view of the VAMG that the costs associated with P91 should be recovered from BSC Parties?</p>	<p>NO</p> <p>Rationale:</p> <p>As NGC is the only Party who will receive this information, we believe that they should bear the associated costs. BSC parties should not be expected to finance changes that are aimed at NGC requirements.</p>
<p>Any further comments:</p> <p>The consultation provided insufficient evidence on why the VAMG made the recommendations presented above and details of the discussion that took place.</p> <p>In particular, it would have been useful to know the cost of the proposed changes and the cost of alternative routes for NGC to access the information they need.</p>	

P91_ASS_005 – Scottish Power

Name: Man Kwong Liu

Company: SAIC Utility Group

Number of Parties represented: For and on behalf of: - *ScottishPower UK Plc.; SP Manweb Plc.; ScottishPower Energy Trading Ltd.; ScottishPower Generation Ltd.; Scottish Power Energy Retail Ltd.; SP Transmission Ltd.*

Question	Response
<p>Q1. The Volume Allocation Modification Group (VAMG) determined that P91 would further the Achievement of Applicable BSC Objective (a) by enabling the Transmission Company to fulfill its licence obligations. Do you agree with the VAMG's assessment?</p>	<p>YES</p> <p>Rationale: There does appear to be a demand, arising out of the approval of BSC Mod P7, for more specific information to be provided to Suppliers about their TNUoS charges. As NGC requires more granular metered data (by BM Unit) in order to calculate those charges, it is appropriate for that data to be submitted to NGC.</p>
<p>Q2. Do you believe that P91 further facilitates the achievement of Applicable BSC Objectives (b) and (c) as set out in the Modification Proposal?</p>	<p>YES</p> <p>Rationale: There is a case for accepting that NGC needs more granular data in order to efficiently and economically manage the Transmission system. It is less clear how the provision of more specific data will promote competition in supply, other than a possible link between Suppliers receiving more accurate TNUoS charges and being able to compete more effectively as a result of greater certainty about their liability to NGC.</p>
<p>Q3. As a result of Modification P7, the Transmission Company requires additional data within the TUoS Report in order to implement its current charging rules. P91 has been raised to enable the Transmission Company to receive the additional data. In recognition of this fact, do you agree with the view of the VAMG that the costs associated with P91 should be recovered from BSC Parties?</p>	<p>YES</p> <p>Rationale: However, we note that no specific information has been made available in this consultation about how to implement P91. We would support P91 only if the solution identified is both least cost and least impact to implement.</p>
<p>Any further comments: None.</p>	

P91_ASS_006 – NGC

Company: National Grid

Number of Parties represented:

Question	Response
<p>Q1. The Volume Allocation Modification Group (VAMG) determined that P91 would further the Achievement of Applicable BSC Objective (a) by enabling the Transmission Company to fulfill its licence obligations. Do you agree with the VAMG's assessment?</p>	<p>YES</p> <p>Rationale: The modification in particular will enable the Transmission Company to fulfil its Licence Obligations by charging customers in accordance with the Statement of Use of System Charging Methodology. This will further the applicable BSC Objective (a).</p>
<p>Q2. Do you believe that P91 further facilitates the achievement of Applicable BSC Objectives (b) and (c) as set out in the Modification Proposal?</p>	<p>YES</p> <p>Rationale: The Use of System Charging Methodology is in itself a means of ensuring the efficient & economic use of the system and promoting competition.</p>
<p>Q3. As a result of Modification P7, the Transmission Company requires additional data within the TUoS Report in order to implement its current charging rules. P91 has been raised to enable the Transmission Company to receive the additional data. In recognition of this fact, do you agree with the view of the VAMG that the costs associated with P91 should be recovered from BSC Parties?</p>	<p>YES</p> <p>Rationale: The modification was prompted by the increase in Suppliers choosing to have more than one BM Unit within a GSP Group and their requirement for TNUoS charges calculating down to this level. This additional information is also required to calculate charges in the case of embedded generation being netted off via the SVA system. The provision of this information at a greater level of detail will be of benefit to and is in response to requests from parties and therefore should be recovered via this route.</p>
<p>Any further comments:</p>	

P91_ASS_007 – British Gas Trading

Company: British Gas Trading

Number of Parties represented: 1

Question	Response
<p>Q1. The Volume Allocation Modification Group (VAMG) determined that P91 would further the Achievement of Applicable BSC Objective (a) by enabling the Transmission Company to fulfill its licence obligations. Do you agree with the VAMG's assessment?</p>	<p>YES</p> <p>Rationale:</p>
<p>Q2. Do you believe that P91 further facilitates the achievement of Applicable BSC Objectives (b) and (c) as set out in the Modification Proposal?</p>	<p>YES</p> <p>Rationale:</p>
<p>Q3. As a result of Modification P7, the Transmission Company requires additional data within the TUoS Report in order to implement its current charging rules. P91 has been raised to enable the Transmission Company to receive the additional data. In recognition of this fact, do you agree with the view of the VAMG that the costs associated with P91 should be recovered from BSC Parties?</p>	<p>YES</p> <p>Rationale:</p>
<p>Any further comments:</p> <p>None</p>	

P91_ASS_008 – Scottish and Southern

This response is sent on behalf of Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd. and SSE Energy Supply Ltd.

In relation to the Initial Assessment Consultation on Modification Proposal P91, contained in your notes of 22nd August 2002 we note that the Authority desires NGC to charge in a manner which requires the more detailed breakdown of settlements data requested in this Modification Proposal. It would therefore seem to be consistent with the BSC objectives and also logical to recover costs from BSC Parties.

Naturally, we urge, as part of the Assessment Phase, that careful consideration is given to finding the most cost-effective mechanism for providing the data (which is already available to suppliers).

Regards

Garth Graham
Scottish & Southern Energy plc

P91_ASS_009 – British Energy

P91: Extension to Data Provided to the Transmission Company in the TUoS Report

In principle, from an overall industry perspective, this is a desirable change which will facilitate Transmission Network Use of System charging by NGC in accordance with its TNUoS Methodology and Statement of Charges, and which in the broadest sense could be argued to have the potential to better facilitate the BSC Objectives of Transmission Licence Conditions C3.3(a),(b) and (c). However, until the costs have been properly established it is not clear that the modification would actually better meet the BSC objectives.

In any case, we believe that development, implementation and operational costs would be better targeted at NGC and recovered through TNUoS charging, which is where the potential benefits and efficiencies lie in practice. This seems a self-consistent model for cost and benefit allocation.

We do not consider that approval of modification P7 is directly relevant to this modification.

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

P91_ASS_010 – Aquila Networks

Please find that Aquila Networks Plc response to P91 Assessment Consultation is 'No Comment'.

Regards,

Jason Guest on behalf of Rachael Gardener

Jason J Guest
Distribution Support Office
Aquila Networks plc