

Responses from P96 Draft Report Consultation

Consultation issued 22 November 2002

Representations were received from the following parties:

No	Company	File Number	No. Parties Represented
1.	LE Group	P96_DR_001	7
2.	British Gas Trading	P96_DR_002	1
3.	Scottish and Southern	P96_DR_003	4
4.	British Energy	P96_DR_004	3
5.	Aquila Networks	P96_DR_005	1
6.	SEEBOARD	P96_DR_006	1
7.	Scottish Power	P96_DR_007	6
8.	IMServ	P96_DR_008	1

P96_DR_001 – LE Group

LE Group is happy to support the proposal set out in P96 to merge the Definition and Assessment Procedures to create an Evaluation Procedure.

This reply is sent on behalf of: LE 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, ECS.

With kind regards, Paul Chesterman
for Liz Anderson
General Manager, Energy Strategy & Regulation

Modification Proposal P96: Merger of Assessment and Definition Phases in the Modification Process

Thank you for the opportunity of responding to this draft modification report considering Modification Proposal P96 (P96). British Gas Trading (BGT) support this Modification Proposal and believe it better facilitates the achievement of Applicable BSC Objective d. The proposal will improve the overall efficiency of the Modification Process by removing any 'dead' time between the completion of the Definition Procedure and the commencement of the Assessment Procedure. This amalgamation into a single evaluation phase will enhance the process by reducing the administrative burden on Elexon and participants without undermining the ability to consult.

A single evaluation phase will still provide the facility for the Modification Group to be able to better define the proposal where appropriate. As such we do not believe that there will be any weakening of the current checks and balances that are in place under the current arrangements.

BGT supports the proposed maximum time period of 5 months to undertake the evaluation process. However, we believe that Modification Proposals should be processed as promptly as possible and we do not expect 5 months to become the normal timescales for progressing a Modification Proposal.

Yours faithfully

Mark Manley
Contracts Manager

P96_DR_003 – Scottish and Southern

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

Further to your note of 22nd November 2002, and the associated Draft Modification Report for P96, we agree with the proposed BSC Panel recommendation to the Authority that the Proposed Modification P96 should be made.

If the Modification Proposal P96 is approved, we agree with the proposed BSC Panel recommendation on the timing for the Implementation Date, as outlined in Section 1.1 of the Modification Report.

Regards

Garth Graham
Scottish & Southern Energy plc

P96_DR_004 – British Energy

To Modification Secretary

From: Rachel Ace

Date: 2nd December 2002

The present arrangements involving separate definition and assessment phases has in general worked well. The definition phase imposes a sensible discipline and incentive on those submitting changes to fully define their proposals up front which if adhered to will allow proposals to move directly to assessment and therefore is already flexible. We believe this proposal could lead to inefficiencies.

As things stand, ill defined proposals are rigorously reviewed before moving to assessment we suspect that under this change there will be a blurring of the activities such that important points of definition are missed and subsequently will need to be revisited creating inefficiencies and potentially ill thought out proposals.

If governance problems exist they exist at the modification submission stage where poorly defined proposals are allowed to be processed under the BSC with proposer's being required to do no more than provide a cursory outline of their proposals. If anything, the hurdle for submission of a modification proposal should be raised so that proposer's are required to work up their proposals in far greater detail and not rely on the BSC processes to do their work for them.

Regards

Rachel Ace

On behalf of

British Energy Generation
Eggborough Power Ltd
British Energy Power and Energy Trading Ltd

P96_DR_005 – Aquila Networks

Please find that Aquila Networks Plc response to P96 Consultation on draft Modification Report is 'No Comment'.

regards

Rachael Gardener

Deregulation Control Group &
Distribution Support Office
AQUILA NETWORKS

P96_DR_006 – SEEBOARD

With respect to draft modification report, dated 22nd November, for modification P096 (Merger of Assessment & Definition Phases in Modification Process). We still feel any benefits of this change are likely to be marginal. However, as majority of parties feel this change is worthwhile we accept recommendations in section 1.1 of this report and implementation date detailed.

Dave Morton
SEEBOARD Energy Limited

P96 Draft Modification Report Comments

With reference to the above, we wish to reiterate the view which we have previously expressed that P96 meets the Applicable BSC Objective of promoting efficiency in the implementation and administration of the trading arrangements. The merger of Definition and Assessment Procedures should enhance the flexibility of the mods process and reduce costs. All BSC Parties should also benefit from potentially fewer consultations, which should help their planning when considering responses. While concerns have been raised about the possible adverse impact on small players of the merged process, it has to be pointed out that small players will always be active in terms of responding to mods where they have a particular interest. A reduced number of consultations ought to help their focus and resourcing for such responses.

We have some concerns about the legal drafting and how the transitional provisions to give effect to the merged process should be expressed:-

There are some inconsistencies between the retention of "Definition", "definition", "Assessment" and "assessment" in some parts of Section F and removal in other parts.

F2.2.3 (b) - suggest that retain sub-paras (i) and (ii) and add a new sub-para (iii): "submit the Modification Proposal to the Evaluation Procedure pursuant to paragraph 2.6A; or". The retained sub-paras should be removed under the transitional provisions. The current sub-para (iii) becomes sub-para (iv). The cross-reference in F2.2.4 to sub-para (iii) should be amended accordingly.

F2.2.3 (c) - retain references as follows - "..submitted to the Definition, Assessment or Evaluation Procedure..."

F2.2.6 - This para should be retained and all subsequent paras and cross-references to amended subsequent paras elsewhere should be changed back to the current position. This para should fall away under the transitional provisions.

F2.2.7(as revised) - retain references as "definition and/or assessment and"

F2.2.8 (as revised) - the para should be amended to read "...the Panel shall set the timetable referred to in paragraph 2.2.3(c)(ii) such that...

(c) in respect of an Evaluation Procedure, it is no longer than 5 months..."

F2.4.2 - retain references as "Definition, Assessment or Evaluation"

F2.4.3 - retain references as "...to carry out definition, assessment and/or evaluation of ..."

F2.4.6 - retain references as "...relevant Definition, Assessment or Evaluation Procedure..."

F2.5.10 - suggest slight amendment to provide comprehensive removal of all references to Definition and definition in Section F as follows - "This paragraph 2.5, and all references to it and its sub-provisions and to 'Definition' or 'definition' in this Section F, shall cease to

apply...". Also, in 2.5.10(b) - amend to read "...in accordance with paragraphs 2.5.9(c) or 2.6.13(a)(ii)." This is because a mod can go directly to Report stage from Definition.

F2.6.15 - suggest new para to provide comprehensive removal of all references to Assessment and assessment in Section F as follows - "All references to 'Assessment' or 'assessment' in this Section F outwith this paragraph 2.6, and excluding Annex F-1, (but not including references to initial written assessment, initial assessment or impact assessment), shall cease to apply in accordance with paragraph 2.6.14."

F2.6A.3 - insert a new para similar to 2.5.3 and 2.6.3, renumber subsequent paras and amend any cross-references - "The Panel shall establish or designate a Modification Group and shall determine its terms of reference in accordance with the provisions of paragraph 2.4."

I trust that you will find these comments helpful. Nonetheless, should you require further clarification of any of the above, please do not hesitate to contact me.

Yours sincerely,

Man Kwong Liu
Calanais Ltd.

For and on behalf of: - *Scottish Power plc; ScottishPower Energy Trading Ltd.; Scottish Power Generation plc; ScottishPower Energy Retail Ltd.; SP Transmission plc; SP Manweb plc*

P96_DR_008 – IMServ

We have only one comment which is as follows:

IMServ do agree with the proposed changes in P96, providing sufficient time is allowed in the 'Evaluation procedure' for participants to respond to changes.

Thanks

Katie Sarl
Project Office