
Meeting name	Supplier Volume Allocation Group (SVG)
Date of meeting	5 October 2010
Paper title	Change Proposal Progression
Purpose of paper	For Decision
Synopsis	<p>This paper provides:</p> <ul style="list-style-type: none">• 3 Change Proposals (CP1336, CP1339, CP1342) for decision;• an update on CP1338; and• details of all Open Change Proposals.

1 Summary

- 1.1 This paper provides details of two Change Proposals (CPs) for you to consider and agree on their progression. These CPs were issued for Party/Party Agent Impact Assessment in July and August respectively.
- 1.2 We've also included a third CP which recommends corrections to Code of Practice (CoP) 9. We believe that these corrections should be treated as housekeeping issues.
- 1.3 In addition to the above CPs, we will ask you to agree corrections to the redlining that was approved as part of CP1338 'Guidance for Complex Sites - Network Flows affecting Settlement Meter Readings'.

2 Summary of Change Proposals for Decision

2.1 CP1336 'UMSO Adjustment of EACs and Pseudo HH Units based on Physical Audit Findings'

- 2.1.1 EDF Energy Networks raised CP1336 on 2 July 2010. We subsequently issued CP1336 for impact assessment (via CPC00685) in July 2010.
- 2.1.2 CP1336 proposes to introduce a technique to improve the accuracy of settlement for UMS consumption. EDF Energy Network's physical audit has calculated an energy error percentage and so offers the means to address the difference between the Estimated Annual Consumption (EAC) and actual consumptions. Distributors then can uplift the EAC by the determined percentage until the UMSO agrees the validity of a new inventory submission from the customer.
- 2.1.3 We received 16 responses; of these 8 agreed, 3 disagreed and 5 were neutral. Those who disagreed all supported the intent of this CP which is to reduce errors in estimated consumption, but they are not convinced that the proposed solution is the best approach to address the issue. One respondent expressed concern that this change would create an inconsistency between the BSC and the BSCP.
- 2.1.4 We agree that CP1336 would improve the accuracy of settlements and note a majority industry support. However we also note that, as stated by one of the respondents, the proposed solution would create an inconsistency between the BSC and BSCP520. As a result, a Modification would be required to effect the necessary changes. We believe there are better ways to enable UMSOs to address these issues with their customers, for example, by amending BSCP520 to state that UMS Connection Agreements should contain provisions that allow the EAC to be amended where

a physical audit of the inventory reveals that previous submissions were inaccurate. For a full assessment of CP1336 please refer to Appendix 1.

2.1.5 Because CP1336 will introduce an inconsistency between the Code and BSCP520, we recommended that you:

- **REJECT** CP1336.

2.2 CP1339 'Amendments to BSCP533 to enable changes to the hosting and operation of the PARMS system'

2.2.1 We raised CP1339 on 6 August 2010 and subsequently issued it for impact assessment (via CPC00686) in August 2010.

2.2.2 CP1339 proposes to amend the references (i.e. links to email addresses) in the relevant BSCPs to enable changes to the hosting and operation of the PARMS system.

2.2.3 We received 12 responses to the consultation; all respondents were in support of the CP and agreed that CP1339 should be implemented on 1 November 2010 to ensure that Performance Assurance Parties have the correct PARMS addresses. For a full assessment of CP1339 please refer to Appendix 2.

2.2.4 We recommend, based on this CP ensuring that PARMS data is submitted, received and processed appropriately as well as unanimous industry support, that you:

- **AGREE** our suggested amendments to the redline text; and
- **APPROVE** CP1339 for implementation in the November 2010 Release (effective from 1 November 2010).

2.3 CP1342 'House Keeping Change to correct a Manifest Error in CoP9'

2.3.1 We've identified a manifest error within CoP9¹ where an incorrect diagram has been erroneously inserted. The incorrect diagram appears within Section 8.2.1 'Installations with an Isolating Switch' and has the title 'Multi-rate Whole Current installation with separate M1 and M2 Meters with Isolating Switches'.

2.3.2 It has been copied from the diagram on page 26 entitled 'Multi-rate Whole Current installation with a combined M1 and M2 Meter with Isolating Switches'. The correct diagram should illustrate an example of how two Meters can be used for an Import/Export scenario, however, the diagram only shows how a single Import/Export Meter can be used for an Import/Export scenario. This diagram is correct in previous versions of CoP9, but has been incorrectly replaced by the existing diagram.

2.3.3 We do not see this as a material change to the document because:

- The text above the diagram emphasises that the diagram should be for separate Meters and that – *'The diagrams in this section of the Code of Practice are single phase examples only. These diagrams should not be taken as definitive wiring diagrams for any installation'*
- The correct diagram should not have been replaced in the first place as it was correct.

¹ Code of Practice for the Metering of Import and Export Active Energy via Low Voltage Circuits for Non-Half Hourly Settlement Purposes

2.3.4 This error has not been introduced by any BSCP40 changes and could lead to confusion amongst BSC Parties if not corrected.

2.3.5 Because CP1342 will correct a manifest error within CoP9, we recommend that you:

- **AGREE** that CP1342 is a housekeeping issue; and
- **APPROVE** CP1342 for implementation in the February 2010 Release.

3 CP1338 – Correction to Approved Redlining

3.1 Background

3.1.1 Last month we presented CP1338 – 'Guidance for Complex Sites - Network Flows affecting Settlement Meter Readings', via SVG115/05, which you approved for implementation as part of the November 2010 Release.

3.1.2 When you approved CP1338, you agreed that we include the following recommended amendment to instances of the 'Import' and 'Import MSID' example aggregation rules for Figure 1 and Figure 2, that formed part of the new BSCP502 Section 4.9.8 and BSCP514 Section 8.4.8 (the examples are identical in both BSCP502 and BSCP514):

Figure 1, example aggregation rule change:

$$\text{Import} = (M1 \text{ AEI} + M2 \text{ AEI}) - (M1 \text{ AIE} + M2 \text{ AIE})$$

Figure 2, example aggregation rule change:

$$\text{Import MSID} = (M1 \text{ AEI} + M2 \text{ AEI}) - (M1 \text{ AIE} + M2 \text{ AIE})$$

3.1.3 Following your approval of CP1338 we have identified that the changes to these Import aggregation rules provide incorrect values.

3.2 Clarifying the Problem

3.2.1 If the aggregation rules are implemented as agreed (above) then they would show that a site is exporting when in fact it is importing due to the sign of the resulting value. This is because the AI and AE quantities of the aggregation rule were reversed. For example, if a site were importing 100kW, the aggregation rule would treat this as 100 - 0 giving +100. However this should be a negative value or 0 -100 giving -100. These amendments were made without recourse to the existing obligations on the HHDC (ninth paragraph of BSCP514 Section 8.4 and BSCP502 Section 4.9) where account for the resulting sign of the aggregation is made. This means that the changes made to the original redlining for CP1338 were not necessary.

3.2.2 As a result the Import aggregation rules given in both examples, in the BSCP514 and BSCP502 redlining, should revert back to the original proposed drafting (provided in Attachment G and H, highlighted in yellow). This is so that the Import aggregation rules give the correct results.

3.2.3 We've spoken to the respondent, who originally suggested the revision of the Import formulas, and they are supportive of this correction.

3.3 Recommendation

3.3.1 Because this amendment will ensure that values are calculated correctly, we recommended that you:

- **AGREE** the removal of the recommended amendment to the BSCP502 and BSCP514 Proposed Redlining; and
- **RECONFIRM** your approval of CP1338 for implementation in the November 2010 Release.

4 Summary of Change Proposals for Decision

4.1 We invite you to:

- a) **REJECT** CP1336;
- b) **AGREE** ELEXON's suggested amendments to the redline text for CP1339;
- c) **APPROVE** CP1339 for implementation in the November 2010 Release (effective from 1 November 2010);
- d) **AGREE** that CP1342 is a housekeeping issue;
- e) **APPROVE** CP1342 for implementation in the February 2011 Release;
- f) **AGREE** ELEXON's suggested amendments to the redlining for CP1338; and
- g) **RECONFIRM** your approval of CP1338 for implementation in the November 2010 Release.

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List of Appendices:

Appendix 1 – Detailed analysis of CP1336
 Appendix 2 – Detailed analysis of CP1339
 Appendix 3 – New Change Proposals
 Appendix 4 – Summary of Open Change Proposals
 Appendix 5 – BSC Releases

List of Attachments:

Attachment A – CP1336 Redline changes to BSCP520
 Attachment B – CP1339 Redline changes to BSCP533
 Attachment C – CP1339 Redline changes to BSCP533 Appendix B
 Attachment D – CP1339 Redline changes to BSCP533 Appendix C
 Attachment E – CP1339 Redline changes to BSCP536
 Attachment F – CP1342 'Housekeeping change to correct a Manifest error in CoP9'
 Attachment G – CP1342 Redline changes to CoP9
 Attachment H – CP1338 Redline changes to BSCP514
 Attachment I – CP1338 Redline changes to BSCP502

Appendix 1: CP1336 'UMSO Adjustment of EACs and Pseudo HH Units based on Physical Audit Findings'

1 Why Change?

1.1 Background

1.2 EDF Energy Networks raised CP1336 on 02 July 2010.

1.3 Nationally, Unmetered Supplies (UMS) consumption amounts to almost 4 terawatt-hours (TWh) per annum according to ELEXON's reported figures. Across EDF Energy Networks' three distribution regions it's currently 0.96 TWh (approximately 25% of the national total for Unmetered Supplies). The settlement of this energy is entirely dependent on the accuracy of customer's inventory submissions.

1.4 The Problem

1.5 The Proposer believes that inventory submissions can be inaccurate and updates aren't always readily provided. EDF Energy Networks has undertaken physical on-street checks and has completed 12 major audits of local authority lighting customers. Results have identified an average energy error close to 10%. One of their customers had an error rate of 28% - resulting in a Settlement shortfall of more than 2 GWh over the course of a year. Another larger auditee's 15% error rate was worth 3.5 GWh annually.

1.6 The Unmetered Supplies Operator (UMSO) or Licensed Distribution System Operator (LDSO) has limited options to address an identified discrepancy. The UMSO should update, via the customer, the inventory submission. This will take a significant period to collate a fresh inventory during which time the discrepancy will persist. The UMSO could apply pressure by blocking any new UMS connections but for a local authority this could involve such massive disruption as to be very challenging and politically difficult to implement. For non-local authority customers, enforced disconnections might be considered but these incur further costs and would be very much an action of last-resort.

2 Solution

2.1 A physical audit enables an energy error percentage to be calculated based on the difference between the Estimated Annual Consumption (EAC) and actual consumptions.

2.2 Distributors would then adjust the EAC or the Summary Inventory by the determined percentage. This revised EAC would be used in settlement until the UMSO agrees the validity of a new inventory submission from the customer.

2.3 EDF Energy Networks believes that the EAC or Summary Inventory correction, fully evidenced by extensive audit undertakings, should be enforceable without customer agreement at the LDSO's insistence.

2.4 The proposed solution would be applied to Non Half Hourly (NHH) and Half Hourly (HH) customers simply by:

- Uplifting the EAC value for NHH-traded customers; and
- Applying the percentage to the counts of items on the Summary Inventory for HH-traded customers Intended Benefits.

3 Perceived Benefits of CP1336

- 3.1 Based on projections from EDF Energy Network's initial audits, this technique might assist in the recovery of 400 GWh per annum nationwide. If errors in non-local authority arenas (e.g. advertising, Cable TV & Telecoms) are typically greater than 10% that figure may be higher still.
- 3.2 It will also help those UMSOs/LDSOs not presently conducting audits to justify the time and cost involved in such activity. They can be reassured that where errors are uncovered they will be addressed in Settlement in a prompt manner, even if the customer does not tender a more accurate inventory. The Proposer notes that simply having audit programmes underway in an LDSO region is proven to incentivise customers to address long-standing data issues. It may also reduce the need for less palatable alternatives such as forced disconnections. Thus the benefits are considerable over and above those customers actually audited.

4 Industry Views

- 4.1 We issued CP1336 for impact assessment in July 2010 (via CPC00685). We received 16 responses; of these 8 agreed, 3 disagreed and 5 were neutral.
- 4.2 Those who disagreed all supported the principle / initiative of this CP which is to reduce errors in Settlement, but they are not convinced that the proposed solution is the best approach to address the issue.
- 4.3 One respondent disagreed with the change because they believe:
- the existing provisions in the BSC and BSCPs do not prevent an UMSO from adjusting the inventory where the customer agrees that an uplift to the EAC is required, pending a full audit and agreement of the actual inventory; and
 - A Modification, not a CP, would be needed to make such changes enforceable without customer agreement because this would introduce a conflict with BSC Section S 8.2.4 which states:
*'The inventory of Apparatus relative to a particular Unmetered Supply shall be **agreed** between the Licensed Distribution System Operator on whose Distribution System or Associated Distribution System the Unmetered Supply takes place and the Customer taking such supply...'*
- 4.4 Also they felt the proposed new paragraph in BSCP520 1.2.1 (r) only seems to permit an uplift to an inventory. As it is possible that an audit may reveal that the inventory is overstated due to, for example, the replacement of conventional lamps with LEDs, the wording should be changed to also permit a temporary reduction in the EAC.
- 4.5 We agree with the respondent's suggestion in terms of the wording in BSCP520 1.2.1(r) and recommend some amendments to the proposed redlined text (please refer to Table 3 of this document for more details) to reflect that adjustments can be 'up or down' in either direction dependent on the audit findings.
- 4.6 ELEXON believes that Section S8.2.4 of the BSC indicates that the LDSO and its customer shall agree to the inventory of Apparatus relative to a particular Unmetered Supply. 'Shall be agreed' is unambiguous and 'agreed' means 'come to one and the same opinion'. It is important to bear in mind that customers are not parties to the Code. This is why the BSCP is structured in such a way that that the relationship with the customer is managed through the UMS Connection Agreement (or equivalent contract). The requirements and obligations currently set out in the

BSCP support this relationship. This CP, if implemented, would conflict with this governance and introduce an inconsistency between BSCP520 and the Code.

- 4.7 One respondent noted the importance of getting Settlement correct and if the Distributor has evidence to amend an inventory to correct the error then it is reasonable to do so. However, they disagreed with the proposed method of implementation in the market and wished to propose an alternative solution. In summary, the alternative involves the following:
- Defining the nature of the physical audit so that all UMSOs follow the same process, for example ensuring that the audits are equally random and not subject to inappropriate targeting;
 - Requiring the results of the audit to be retained and provided to the BSC Auditor for review;
 - Providing for an appeals process in cases where a customer disagrees with the UMSO's findings;
 - Introducing a new UMS Charge Code, rated at 1000 circuit Watts, which can then be added as one or more inventory items in order to create an increase in consumption without affecting the rest of the items in the inventory.
- 4.8 We noted the alternative solution and recognised that it offers a viable alternative means of effecting an adjustment using Charge Codes. However we're also mindful that defining the UMSO's audit in detail and proving an appeals mechanism for customers goes some way beyond the current provisions of Section S8.2.4 and may require a Code Modification.
- 4.9 We explained to the respondent that the proposed redlined text cannot be adjusted prior to SVG, but we will include the suggestions in the paper for SVG consideration. The respondent is happy with this approach.

5 Impacts and Costs

Market Participant	Cost/Impact	Implementation time needed
ELEXON (Implementation)	The estimated ELEXON implementation cost is 2 man days, which equates to £480.	February 2011 Release suitable
UMSO and LDSO	Minimal impact for HH and NHH, however the EAC calculation process would need to be amended to include the EAC uplift. Also need to agree the Unmetered Supplies Inventories with customers and have the option to carry out Audits of those inventories.	February 2011 Release suitable
UMSO and MA	Minor documentation changes for UMSO and MA as some of them already use the procedure to temporarily alter an inventory, with the customer's agreement, where an audit has revealed significant discrepancies. The MA will be able to reinforce the message that the UMSO is giving to the customer and advise the customer on how to eliminate the 'adjustment'. If a new Charge code was created that would follow the normal MDD process. It would also make for a more visible audit trail in the inventories.	February 2011 Release suitable

UMSO, LDSO, Supplier	System changes would be required to their UMS system to edit EACs automatically in the manner described within the CP if we chose to use the EAC uplift. There would also be internal procedural changes.	February 2011 Release suitable
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6 Implementation Approach

- 6.1 Our recommendation below is to reject CP1336. However should the SVG choose to approve CP1336, we recommend implementing the change in the February 2011 Release since it is the next available Release, not less than 3 months from the approval date. All respondents feel that the implementation date is achievable.
- 6.2 This would be an optional mechanism available to those UMSOs conducting audit programmes. As a non-mandatory element of UMSO operations there seems no justification in unreasonably delaying its implementation. Two UMSOs (responsible for 5 of the 14 LDSO regions) already have the capability to edit NHH EAC Certificates and Pseudo Half-Hourly Summary Inventories automatically via their UMS software systems. Others may choose to follow suit and update their systems or, alternatively, to effect manual amendments on the rare occasions when they seek to apply these measures.

7 Recommendation

- 7.1.1 We agree that CP1336 would improve the accuracy of settlements and note a majority support from Suppliers and Distributors. However we also note the specific concerns raised by Customers, and the fact that the proposed solution would create an inconsistency between the BSC and BSCP520, even though the solution may actually help UMSOs and customers come to a prompt agreement on the contents of an inventory. Given the specific nature of UMS governance (i.e. the existence of a UMS Connection Agreement), we believe there are better ways of enabling the UMSO to address issues with Customers. For example, BSCP520 could be amended to state that the UMS Connection Agreement is expected to contain provisions that allow the EAC to be amended where a physical audit of the inventory reveals that previous submissions were inaccurate.
- 7.1.2 We therefore recommend you:
- **REJECT** CP1336.

Contact the Lead Analyst:

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Table 1: Industry Impact Assessment Summary for CP1336 - UMSO Adjustment of EACs and Pseudo HH Units based on Physical Audit Findings

IA History CPC Number	CPC00685	Impacts	BSCP520		
Organisation	Capacity in which Organisation operates in	Agree?	Impacted?	Days needed to implement	
Electricity North West Limited		Yes	Yes	-	
TMA Data Management Ltd	HHDC, HHDA, NHHDC and NHHDA	Yes	No	-	
EDF Energy Networks	EDF Energy Networks (EPN) plc, EDF Energy Networks (LPN) plc, EDF Energy Networks (SPN) plc, EDF Energy (IDNO) Ltd (EDFI	Yes	Yes	14	
Central Networks	LDSO, UMSO	Yes	Yes	-	
Scottish and Southern Energy	Supplier/Generator/ Trader / Party Agent / Distributor	Yes	Yes	60	
Scottish Power		Yes	Yes	30	
British Gas	Supplier	Yes	No	-	
NPower Limited	Supplier/Supplier Agents	Yes/No/ Neutral	Yes	We would be able to implement this Change Proposal for the proposed February 2011 Date.	
Western Power Distribution	LDSO, MOA	No	Yes	-	
Power Data Associates Ltd	MA	No, not as proposed	Yes	30	
E.ON	Supplier	No	No	-	
MRASCo Ltd	MRASCo	Neutral	No	-	
GDF SUEZ Energy UK	Supplier	Neutral	No	-	
Spark Energy	Supplier	Neutral	Yes	90	
British Energy	Supplier, Generator, Trader Non Physical	Neutral	Yes/No	-	
E.ON UK Energy Services	NHHMOA NHHDC-DA	Neutral	No	-	
Transport for London (interested party)	-	-	-	-	
London Lighting Engineers Group (interested party)	-	-	-	-	

Table 2: Impact Assessment Responses²

Organisation	Agree?	Impacted?	Comments	ELEXON Response
Electricity North West Limited	Yes	Yes	<p>Agree change comment - We agree that there must be a way to encourage Lighting authorities to submit regular and accurate inventories when requested to do so by the UMSO. Also we agree that when an inventory has been subjected to an audit and has been found to be inaccurate the BSC should contain guidance on appropriate sanctions to ensure compliance. We can see merit in this proposal but also some shortfalls with regard to the payment of supplier invoices based on an EAC uplift using this method. We have suggested additional sanctions in our response to question 6 below.</p> <p>For which role is your organisation impacted? UMSO acting on behalf of the LDSO.</p> <p>Please state what the impact is - Minimal impact for HH and NHH, however we would need to amend EAC calculation process to include the EAC uplift.</p> <p>Please explain the lead time - In line with the proposed implementation date of 24th February 2011.</p> <p>Would implementation in the proposed Release have an adverse impact on your organisation? Minimal Impact</p> <p>Associated costs - Minimal costs.</p> <p>Any other comments - The basis of a successful partnership between the LDSO and the Unmetered customer must be a robust connection agreement. The connection agreement must state the frequency of inventory submission and give the LDSO the right to audit the inventory when required with the cost of the audit being met by the customer. Any customer refusing to sign a connection agreement or provide regular and accurate inventory submissions should not receive Unmetered connections.</p> <p>The EAC on which the supplier bill is based must be derived from an accurate inventory submission. If it is not, the customer may dispute the value of the supplier invoice.</p> <p>It is reasonable to assume that a customer who refuses to sign a connection agreement and submit an accurate inventory would probably refuse to pay a supplier invoice if it were subject to the EAC uplift as described in this CP.</p>	Comments noted.

² Please note that we have only included responses in this table where the respondent provided additional information.

Organisation	Agree?	Impacted?	Comments	ELEXON Response
			<p>We believe that this CP could cause problems with regard to the payment of supply bills and may increase the number of disputes and would recommend the contractual relationship as described above maybe a better way forward.</p> <p>The UMSO should develop a close working relationship with the connections provider to ensure that Unmetered connections are only offered to those customers who comply with the Unmetered process. E.g. a current signed connection agreement is in place and regular and accurate inventory submissions are being provided.</p> <p>There are other sanctions available to the UMSO following a poor audit result which may be employed to encourage customer compliance, they are:</p> <ul style="list-style-type: none"> • Charge the customer for the full cost of the audit typically 7-10K • Withdraw Unmetered connections until the customer complies with their obligations detailed in the connection agreement. • Disconnect items not declared on the inventory. • Backdate energy charges for items not declared on the inventory typically 14 months. 	
EDF Energy Networks	Yes	Yes	<p>Agree change comment - A valuable additional technique to mitigate shortfalls in UMS Settlement</p> <p>For which role is your organisation impacted? UMSO</p> <p>Please state what the impact is – (as per Q1)</p> <p>Please explain the lead time - Our UMS software is already configured to deliver this capability although we'd note that its optional nature and the low volumes associated mean that others may manually adjust data and not require software changes.</p> <p>Would implementation in the proposed Release have an adverse impact on your organisation? No</p> <p>Associated costs – no costs associated</p> <p>Any other comments - This is an essential addition to BSCP520 to help address shortfalls in UMS Settlement caused by inventory failings and, on occasion, blatant abuse. For the majority of Customers it will mean that EAC corrections hit Settlement much earlier. For the challenging minority it is a more realistic approach than enforced disconnections which will typically impact persons other than the UMS Customer.</p>	-
Central	Yes	Yes	Agree change comment - We agree with the change, because it will	

Organisation	Agree?	Impacted?	Comments	ELEXON Response
Networks			<p>improve the accuracy of settlements. Where an inventory has been shown to be inaccurate by an audit, then any action to amend that inventory to improve the accuracy of the energy calculations whether half hourly or non half hourly traded must be appropriate. However we believe that an UMSO can already take that action under the terms of the Connection Agreement, where an inventory has been shown to be inaccurate. Please see our response to Question 6 for further detail.</p> <p>For which role is your organisation impacted? LDSO and UMSO</p> <p>Please state what the impact is – As an UMSO and LDSO we are involved in agreeing Unmetered Supplies Inventories with customers and have the option to carry out Audits of those inventories.</p> <p>Please explain the lead time - The software we use to manage customer's inventories already allows us to uplift summary inventories and/or adjust EACs as described in the CP.</p> <p>Would implementation in the proposed Release have an adverse impact on your organisation? None</p> <p>Associated costs - none</p> <p>Any other comments - During deregulation of the supply industry a number of "standard" Connection Agreements were developed for all types of connection including unmetered. It is probable therefore that all LDSOs include the following clause (or similar) in their Unmetered Connection Agreements;</p> <p>In addition to the rights and remedies which the Company has under any other provision of this Agreement, where an audit pursuant to Clause 7.8 reveals irregularities or discrepancies in the Detailed Inventory, then, in respect of the Connection Points in question:</p> <p>7.9.1 the Customer shall submit a revised Detailed Inventory to the Company to reflect such adjustments; and</p> <p>7.9.2 (if applicable) the Company shall make such adjustment to the Estimated Annual Consumption; or</p> <p>7.9.3 (if applicable) the Company shall require the Meter Administrator to make</p>	<p>We recognise that some Unmetered Connection Agreements may already contain provisions for resolving consumption errors. The CP would serve to formalise this facility in BSCP520 and ensure a standard process can be followed by different UMSOs.</p>

Organisation	Agree?	Impacted?	Comments	ELEXON Response
			<p>such adjustments to the consumption figures produced by the Equivalent Meter, as (in each case) may be required in order to ensure the accuracy (within the margins of accuracy set out in the BSC) of the settlement data on which the related supply and distribution use of system charges are calculated in respect of the Unmetered Supplies.</p> <p>It is clear that provision is made in the Connection Agreement for an uplift in the inventory. BSCP520 at 3.2.2 provides for the UMSO to agree the inventory with the customer. We would suggest that the process of agreeing the inventory is carried out under the terms and conditions in the Connection Agreement. The proposed uplift is therefore already possible under the existing BSCP520 wording.</p> <p>However if it is felt that greater clarity is required within BSCP520 by documenting the process, then we agree with the change. We accept that BSCP520 is unique in that no other BSCPs include customer obligations.</p>	
Scottish Power	Yes	Yes	<p>Agree change comment - The current arrangements prevent an UMSO from enforcing the results of an audit upon a Customer who refuses to take action. UMS connections operate in a very different world from metered sites where disconnection is a feasible last resort. For a myriad of reasons an UMSO cannot, though the right exists, disconnect a UMS connection if they fail to provide accurate inventories.</p> <p>ScottishPower believes that this CP supports the UMSO in their efforts to improve on the accuracy of UMS Settlement and to encourage customers to enter more accurate inventories. For this reason putting such a tool at the disposal of the UMSO can only improve data going to Settlement and for this reason we strongly support the change.</p> <p>For which role is your organisation impacted? UMSO, LDSO, Supplier</p> <p>Please state what the impact is – As the CP would only gives the UMSO the ability to take such an action if they deem it appropriate after an audit, we would not be impacted by the CP. However we believe system changes would be required to our UMS system to edit EACs automatically in the manner describe within the CP if we chose to use the EAC uplift. There would also be internal procedural changes.</p> <p>Would implementation in the proposed Release have an adverse</p>	-

Organisation	Agree?	Impacted?	Comments	ELEXON Response
			<p>impact on your organisation? None</p> <p>Associated costs - We are unable at this time to give any estimate of costs at this time.</p> <p>Any other comments - ScottishPower believes further consideration should be given to the fact that Customers have the ability to request retrospective changes to previously issued inventories. This could lead to an uplift being accepted by a Customer but which is then re-negotiated through a retro amendment. This could introduce further complexity into the process and may need to be considered further to ensure the uplift can be incorporated into existing processes. However, we believe the CP addresses a weakness in the process of enforcement of more accurate inventories which has caused problems for a number of UMSOs in the past. If approved, we believe it will assist in making UMS data more accurate.</p>	
NPower Limited	Yes/No/ Neutral	Yes	<p>Agree change comment - Whilst supporting the initiative of reducing losses on the system, there are a number of further questions we would like answered before we can fully support this Change Proposal.</p> <p>We appreciate the rationale for wishing to uplift any "lost units" - however this needs further examination, especially concerning customer billing.</p> <p>What rules will apply for the retrospective application of the changes?</p> <p>How will the 'lost units/uplift' be applied?</p> <p>Would this be applied 'on aggregate' across all customers, or be customer specific? Further examination required / details to be illustrated.</p> <p>What communication will take place with the customer and what agreement will be obtained prior to the application of the new EAC or update of the pseudo inventory?</p> <p>From a customer service perspective we would want a full audit trail to evidence the need for uplift, so that we can liaise with the customer(s) concerned to explain why we are billing on a "different" inventory to that information which they have supplied from their records. (We may also need to cross-reference our customer terms + conditions for conditions of service / payment).</p> <p>For which role is your organisation impacted? Supplier</p> <p>Please state what the impact is – Process Impacts</p> <p>Please explain the lead time - We would be able to implement this Change Proposal for the proposed February 2011 Date.</p>	<p>Following discussion with the Proposer we provided the following comments Npower Ltd:</p> <p>1) Changes to the Inventory or EAC within the 14-month settlement timetable could be made at the discretion of the UMSO/LDSO. The BSC does not contemplate the commercial arrangement in place between the Parties to the BSC and their customers save for the reference to the Unmetered Supplies Connection Agreement in BSCP520. Consequently, determinations relating to any re-billing lie outside the scope of the BSC. The proposer notes that significant amendments to Inventories/EACs may cause additional work for Suppliers (re-billing) which might be justified where a high level of error has been identified. This would be a commercial decision.</p> <p>2) The adjustment would be applied as a percentage increase on the EAC in the case of NHH supplies and a percentage increase on Summary Inventory Item Counts in the case of HH supplies</p> <p>3) We agree the UMSO needs to provide the Supplier with details of any adjustments so proper advice can be</p>

Organisation	Agree?	Impacted?	Comments	ELEXON Response
			<p>Would implementation in the proposed Release have an adverse impact on your organisation? None</p> <p>Associated costs - Costs are unknown at present.</p>	<p>given to the customer. We would recommend a change to the BSCP520 drafting to ensure the Supplier is made aware of any adjustments (see Table 3)</p>
Western Power Distribution	No	Yes	<p>Agree change comment - We are supportive of the principle of this CP but we do not believe the existing Code or BSCPs prevent an UMSO from adjusting the inventory where the Customer agrees that an uplift to the EAC is required, pending a full audit and agreement of the actual inventory. (Situation (a) in the proposer's CP).</p> <p>The proposed new paragraph in BSCP520 1.2.1 (r) only seems to permit an uplift to an inventory. As it is possible that an audit may reveal that the inventory is overstated due for example, to the replacement of conventional lamps with LEDs, the wording should be changed to also permit a temporary reduction in the EAC.</p> <p>The CP also proposes to permit an adjustment to the inventory where the Customer is not in agreement. (Situation (b) in the proposer's CP). We believe this would introduce a conflict with BSC Section S 8.2.4 which states:</p> <p><i>The inventory of Apparatus relative to a particular Unmetered Supply <u>shall be agreed between the Licensed Distribution System Operator on whose Distribution System or Associated Distribution System the Unmetered Supply takes place and the Customer</u> taking such supply and the Licensed Distribution System Operator shall:</i></p> <p>We therefore believe a Code Modification needs to be raised should an UMSO want to change an inventory without the Customer's agreement.</p> <p>In conclusion therefore we do not believe a CP is required to allow situation (a) to be resolved, and a Modification, not a CP, will be needed to address situation (b).</p> <p>For which role is your organisation impacted? UMSO & MA</p> <p>Please state what the impact is - Minor documentation changes as we already use the procedure to temporarily alter an inventory, with the customer's agreement, where an audit has revealed significant discrepancies.</p> <p>Would implementation in the proposed Release have an adverse</p>	<p>We agree with the respondent's suggestion in terms of the wording in BSCP520 1.2.1(r) and recommend some amendments to the proposed redlined text to reflect that adjustments can be 'up or down' in either direction dependent on the audit findings.</p> <p>Arguably, one can interpret Section S8.2.4 as a requirement for the inventory to be agreed by the distributor, however we believe it indicates that the LDSO and the Customer shall agree to the inventory of Apparatus relative to a particular Unmetered Supply. 'Shall be agreed' is fairly unambiguous and 'agreed' means 'come to one and the same opinion'. Therefore our view is that the proposed solution would potentially introduce inconsistency into the Code.</p>

Organisation	Agree?	Impacted?	Comments	ELEXON Response
			impact on your organisation? No Associated costs: No costs	
Power Data Associates Ltd	No, not as proposed	Yes	<p>Agree change comment - Whilst I appreciate the importance of getting settlement correct and if the Distributor has evidence to increase an inventory to correct the error then it is reasonable to do so. I disagree with the proposed method of implementation in the market.</p> <p>There should be clear evidence for the basis of the 'adjustment' and it should be a requirement in BSCP520 that this is communicated to the customer, and copies of this communication should be retained and reviewed by the BSC auditor.</p> <p>The communication should be repeated each time a new inventory is submitted. Where there is a gap of six months between inventory submissions then the communication should be repeated at least at six monthly intervals. The objective of this 'adjustment' is to get settlement and DUoS charging correct, but also to motivate the customer to submit an accurate and complete inventory. The customers with poor inventories are generally (but not always) those who do not understand the requirement of the industry, so clear and regular communication is essential. This communication can, and will, be used by the recipients to seek funding from the customers' management to correct the inventory inadequacies.</p> <p>The proposal uses the term 'physical audit' – but this is not defined in BSCP520. In taking this proposal forward there needs to be some definition of physical audit. It has been said that some Distributors have not performed a 'random' audit, but a targeted audit where they knew of deficiencies. The different approaches will clearly generate a very different outcome, one of which could reasonably be extrapolated to the whole inventory, the other would be inappropriate.</p> <p>To date these physical audits have been outside of the BSC scope, if they are referenced in the BSC, then they need more fully defining. One aspect that is not described at all in the proposal is an appeal process where if the customer disagrees with the audit results or the outcome determined by the UMSO they should have a method of appeal. As proposed the UMSO has absolute authority. Where a customer progressively updates the inventory to correct errors then the 'adjustment' should proportionally reduce. The appeal process might need to be invoked where this is not happening in a logical manner.</p> <p>Any adjustment should be a 'either way', if the evidence demonstrates that too</p>	<p>We discussed these responses with the Proposer and provided the following comments:</p> <p>1) We agree that details of the adjustment must be provided to the customer and Supplier, and recommend a change to the BSCP520 section 3.2.2 and 3.2.3 drafting to reflect this.</p> <p>2) We agree that any existing adjustment must be reviewed upon the receipt of a revised inventory, and recommend a change to BSCP520 section 3.2.2 to emphasise this.</p> <p>3) We note the suggestion that evidence should be reviewed by the BSC Auditor, and that the nature of the audit should be defined in the BSCP to make the process more transparent. This would be a wider change and would require more analysis and assessment before it could be taken forward, but we will highlight the suggested approach to SVG.</p> <p>4) We note the respondent's observation that amendments could be made in either direction. We have recommended a corresponding change to the proposed redlined text in BSCP520 1.2.1(r) to reflect that adjustments can be 'up or down' in either direction dependent on the audit findings.</p> <p>5) We note the suggested method of applying an adjustment using a specific Charge Code and recognise it could be a viable approach although it would require further assessment. We agreed to note this approach to SVG.</p>

Organisation	Agree?	Impacted?	Comments	ELEXON Response
			<p>much energy is being accounted in settlement then the consumption should be reduced – although I appreciate this is a less likely scenario.</p> <p>There is a very different regional issue which is derived from the different Distributors' requirements over the last 15 years. I suspect even EDF Energy would acknowledge that there is a greater understanding of the need to maintain and submit a regular accurate inventory in EDF Energy (Eastern) than in EDF Energy (London). EDF Energy has invested considerable effort to change the culture in London, which takes years to motivate all the 30+ authorities. The same is true in other parts of the country.</p> <p>The HH summary inventory is quite transparent in that it lists a summary of all the items. My preference, which I have previously suggested to EDF Energy, is that a new charge code be created called "UMSO adjustment" (or similar words) which has 1000 circuit watts. Then the UMSO can add as many of these charge codes as appropriate, some may be associated with a continuous charge code and some with the appropriate dusk-dawn or part night regime codes. This approach leaves the existing inventory quantities unaffected, and makes the 'adjustment' very visible – and easily costed by the customer. The number of items of the "UMSO Enhancement" can be steadily reduced as updates of the inventory are received, until it finally accepted as correct. The customer can also use the clearly identified figure as an internal justification to get a survey repeated or to update the inventory.</p> <p>Although we are not involved in the NHH market we are aware that some UMSOs provide the equivalent of a summary inventory to the customer as part of the EAC certificate. This is good practice as it makes the EAC calculation more transparent. If the 'adjustment' was by the way of a new charge code, this enhancement would be equally transparent to the customer.</p> <p>We are aware of an UMSO who has previously increased the number of items annually as an assumed growth, but this practice was not clear to the customer, so although it recovers extra energy the customer is not incentivised to correct the error. In this case when a new lighting engineer arrived and eventually found out what had happened he obtained funding from his local authority to demonstrate an overpayment and as a result the EAC was lowered and a rebate issued. Although because of the settlement window, not for the whole period.</p> <p>There were similar concerns of transparency with the enhanced DUoS "poor inventory" charges – which CDCM did away with in April 2010. So although</p>	

Organisation	Agree?	Impacted?	Comments	ELEXON Response
			<p>the customer had updated the inventory the appropriate DUoS charges were not amended to reflect the now "good inventory".</p> <p>It is disappointing that this has not been discussed at UMSUG prior to being formally submitted as CP. Some of the points above could have emerged from discussion and led to a more fully complete CP, which we may then have been able to support.</p> <p>To be clear I do not disagree with the principle that the settlement energy should be correct - it is the clarity/visibility and credibility with customers which I would wish to make more explicit.</p> <p>For which role is your organisation impacted? As MA</p> <p>Please state what the impact is – If implemented as drafted, customer will query why the numbers of items reported by the MA differ from those reported by the customer to the UMSO. This will lead to further customer debates and some customers may perceive that it is the MA who is 'adjusting' the numbers. If implemented as proposed, then the UMSO should advise the MA that the UMSO has enhanced the number of items by x% – this will enable the MA to explain and reinforce the UMSO actions.</p> <p>If implemented as proposed above, then the MA will be able to reinforce the message that the UMSO is giving to the customer and advise the customer on how to eliminate the 'adjustment'.</p> <p>If a new Charge code was created that would follow the normal MDD process. It would also make for a more visible audit trail in the inventories.</p> <p>Please explain the lead time – New Charge Code would follow normal MDD processes and can be created within a month. No system impacts. Operational impact on training and operational documents due to the changes to BSCP520.</p> <p>Would implementation in the proposed Release have an adverse impact on your organisation? None</p> <p>Associated costs – Marginal.</p> <p>Any other comments – Not commented on proposed redlining as this would need to be revised if the alternative approach as I have described above was adopted.</p> <p>Power Data Associates Ltd also shared some feedback it has received from City of London:</p>	

Organisation	Agree?	Impacted?	Comments	ELEXON Response
			<p>'Whilst we are fully aware that some authorities have not been diligent in collecting and forwarding the asset data necessary to the DNO (but are improving), the proposals do seem to be draconian in their implementation, and solely at the discretion of EDF, with no proposed appeal process.</p> <p>We have been submitting 'accurate' inventories for years, and have often been praised by EDF, etc.' for our diligence and the detail provided'. However, we, and I would think other Urban authorities, have the simple problem that a proportion, perhaps up to 10% at any one time, of our lighting inventory is 'transient' due to demolition, refurbishment, new building or traffic system changes. These 'variations' are always recorded on the inventory and passed to the DNO within a few days of being effective, but unless the 'Auditor' has the very latest copy of the declared inventory, there will inevitably be discrepancies.</p> <p>Even if we are notified of the audit, together with the database being used, if there is no appeals process, and the increased charges are effective immediately, it will lead to substantial delays in any payment of the account whilst the DNO errors are rectified, and could effective have an adverse effect upon the DNO's cash flow.'</p>	<p>We have noted the feedback from the City of London and appreciate the impact of this proposal on customers. We recognise that customers are improving the accuracy of inventories we emphasise that in many cases the provisions proposed in the CP may not need to be used. However, where discrepancies are identified and take time to resolve, we recognise the benefit of being able to apply a suitable adjustment in the interim.</p>
E.ON	No	No	Agree change comment - We agree that the current processes could and should be improved however we do not feel that this method resolves the issue of erroneous inventories it merely makes suppliers pass on the charges resulting from uplifted units.	Disagreement noted.
Transport for London (interested party)	-	-	I note that the proposal, submitted by EDFE, intends to introduce a technique to correct Settlement for UMS consumption by using audit results to adjust the difference between the Estimated Annual Consumption and 'actual' consumptions. TfL fully supports the accurate accounting of energy consumed and believes that an accurate inventory is fundamental to good asset management. We would encourage all lighting authorities to invest in	We note the response from Transport for London and appreciate their concerns. We agree that a collaborative approach is best but we emphasise that the CP serves to enable accurate consumption to be recorded in the interim while inventory rectifications are being processed.

Organisation	Agree?	Impacted?	Comments	ELEXON Response
			<p>accurate record keeping but do not believe that the Change Proposal will encourage that investment and could have the opposite effect.</p> <p>TfL believes that the best solutions to problems can be identified by collaborative engagement between the parties, and clearly this has not occurred on this occasion. We are very disappointed that this consultation had not been specifically drawn to our attention, either via our contacts with UKLB / ADEPT nor through our regular liaison with EDFE. By copy I would ask EDFE to withdraw this proposal until such time as meaningful engagement with lighting authorities has taken place, and failing that would seek an extension to the consultation period in order for a substantive response to be made by the UKLB and ADEPT Lighting Group.</p> <p>TfL's also believes that the EDFE proposal does not take sufficient account of current DCUSA proposals to align the National Terms of Connection, in which there is ample scope to ensure that customer inventories are maintained to a suitable level of accuracy, and provide remedies if they are not.</p> <p>I still feel that there are fundamental flaws with this change proposal which if not addressed constructively with customers, will lead to problems down the line. I made comments on behalf of TfL, but know that other lighting authorities have similar concerns, even though we have had insufficient time to develop a coordinated response.</p> <p>The consultation recently undertaken by DCUSA into proposed unified conditions of connection gave scope for the industry to set out clear and concise requirements for unmetered inventory accuracy and maintenance, auditing procedures and remedies if the customer or the DNO do not meet the defined standards. I do not say that the current terms of connection provide a perfect solution, just that the industry has only recently been given adequate opportunity to develop one and the UKLB has made what it believes to be positive and constructive comments in that respect. It is disappointing that given the recent DCUSA consultation a further change has been proposed before DCUSA had had time to implement substantive change.</p> <p>I fully accept that some authorities struggle to maintain inventories to acceptable standards, but similarly there is evidence of DNOs failing to audit satisfactorily. Poor auditing has resulted in privately owned estate lighting being cited as an omission to the local authority inventory, misspelt road names being cited as substantive errors, alleged errors in lamp type being</p>	<p>While we believe CP1336 would help with data accuracy we recognise that many of the practical issues around inventory management sit outside of Settlement and may be addressed better through the Connection Agreement (or any other bilateral arrangement between UMSOs and Customers) rather than through an additional process governed by BSCP520.</p>

Organisation	Agree?	Impacted?	Comments	ELEXON Response
			<p>demonstrated to be unfounded, lamps fed by metered supply being cited as omissions from the unmetered inventory and a number of other similar issues which were eventually conceded by the DNO as being correctly recorded by the customer. (Incidentally these were not audits undertaken by the proposer). As I read it there is no scope within the CP for a customer to challenge the DNO audit, nor a mechanism for the adjustment to be removed once the inventory has been verified as being as accurate.</p> <p>In terms of discouraging some customers to invest in inventory updates, this proposal in effect takes ultimate responsibility for the accuracy of the inventory out of the hands of the customer and places it with the DNO. With ever increasing pressure on lighting authority budgets do you not believe that lighting authorities may take the view that they would in future rely on a DNO challenge and adjustment of the unmetered load, rather than invest in the ongoing burden of maintaining the inventory?</p> <p>The proposer cites lighting authorities deliberately falsifying inventories to manage energy accounts, as I see it this will do nothing to prevent that continuing, as an errant lighting authority could submit an adjusted inventory following an audit to balance out any overall adjustment that the DNO might have made. This sort of issue should surely best be avoided.</p> <p>Many lighting authorities hold a view that those applying good practice are currently being penalised by those that are failing to perform. Most lighting authorities would welcome clearly defined procedures for DNO auditing of inventories with appropriate remedies to rectify deficiencies as and when identified. I am sure that customer representatives would welcome the opportunity to work constructively with suppliers to that end if given the opportunity, and would be pleased to facilitate that at the next UKLB and ADEPT Lighting Group meetings.</p>	

Organisation	Agree?	Impacted?	Comments	ELEXON Response
London Lighting Engineers Group (interested party)	-	-	<p>Whilst LoLEG fully supports accurate energy accounting and the need for robust and accurate inventories, we would raise the following points of concern :-</p> <ol style="list-style-type: none"> 1. The proposal constitutes a significant change to current practices and if implemented would have a major impact on lighting authorities, who in our view have not been engaged in a full and apposite manner. 2. An explicit definition of physical audits needs to be developed and must be agreed with the lighting authorities before this proposal is introduced. Amongst a host of other issues, the definition will need to address the time delay between inventory submission and the on-site audit. 3. Similarly, an appeals / dispute process is required, which must be agreed with the lighting authorities in advance of the roll-out of this proposal. 4. The process covering the removal of the proposed EAC uplift or the added HH items, "until the UMSO agrees the validity of a new inventory submission from the customer." needs developing further and prior agreement with the lighting authorities. 5. Any energy invoices submitted via this proposal are likely to be queried by the lighting authorities and so will remain unpaid until a resolution is reached. Undoubtedly this delay will impact on DNOs cash flow. 6. We would ask that this proposal is withdrawn until such time as meaningful dialogue with the lighting authorities has taken place. 	<p>We note the response from LoLEG. An approach where the nature of the audit is defined in the BSCP, along with an appeals process, has been discussed above and would need further analysis before being taken forward. The proposer's view is that so long as the scope of the audit is agreed between the UMSO and customer, the full details of how the audit should be undertaken do not need to be specified in BSCP520. The proposer also notes that adjustments could go in either direction and are only intended to reflect actual consumption rather than imposing any arbitrary penalty on customers.</p>

Table 3: Comments on redline text

No.	Organisation	Document Name	Location	Severity Code	Comments	ELEXON Recommendations ³
1.	Central Networks	BSCP520	1.2.1 and 3.2.	M	The redlined text includes the phrase "audit derived uplift". Suggest that this needs defining perhaps by adding the phrase in brackets after the new paragraph " r " in 1.2.1.	<p>We agree that the suggested change should be made and recommend BSCP520 section 1.2.1 (r) to be reworded as:</p> <p>'...where a physical audit has revealed the inventory to be inaccurate and early correction by the Customer is not forthcoming; ask the LDSO whether they wish to apply <u>consider</u> the relevant percentage uplift <u>adjustment</u> to the NHH EACs or adjust the item counts in the Pseudo Half-Hourly Summary Inventory by the same proportion as an interim measure.'</p> <p>We also recommend to add a footnote to the term 'physical audit' to add clarification: <u>'the scope of a physical audit should be agreed by the LDSOs and the Customer'</u></p>
2.	Central Networks	BSCP520	3.2.2	H	The "WHEN" field has gained some spurious text that needs deleting.	We agree that the bookmark should be removed.
3.	Central Networks	BSCP520	3.2.2	H	The "ACTION" field should include the action of amending the inventory to include an agreed uplift. Suggest the following additional sentence; "Where a physical audit of the customer's detailed inventory has revealed discrepancies, the UMSO may apply an agreed audit derived uplift."	<p>We agree that the amendment should be made and we suggest to add text to the Action field as:</p> <p><u>'Where a physical audit of the customer's detailed inventory has revealed discrepancies, the UMSO may apply an agreed audit derived adjustment.'</u></p>
4	Central Networks	BSCP520	3.2.2	H	The "INFORMATION REQUIRED" needs amending as the detailed inventory is unlikely to be approved and include all traded equipment if it is inaccurate. Suggest the following additional wording; "or if an audit derived uplift has been applied to	We agree that the 'INFORMATION REQUIRED' needs amending and we recommend to add ' <u>Audit-derived adjustment</u> ' in addition to the original 'Customer's Approved Detailed Inventory with agreed EFD'

³ If SVG choose to approve CP1336, we suggest the following amendments should be made to the proposed redline text.

No.	Organisation	Document Name	Location	Severity Code	Comments	ELEXON Recommendations ³
					the detailed inventory, the UMSO shall provide details of the uplift against the inaccurate detailed inventory".	
5	ELEXON	BSCP520	3.2.3	-	-	<p>We recommend to amend the text in 3.2.3 as:</p> <p>ACTION: ' Send revised Summary Inventory details to MA incorporating any audit-derived uplift <u>adjustment</u> to item counts.'</p> <p>TO: 'MA, <u>Supplier</u>.'</p> <p>INFORMTAION REQUIRED: P0064 Summary Inventory (for Half Hourly Trading) and/or CMS Control File as appropriate. <u>Details of audit-derived adjustment if appropriate.</u>'</p>
6	ELEXON	BSCP520	3.2.7	-	-	We recommend to remove the bookmark in the ACTION field.
7	ELEXON	BSCP520	3.2.9	-	-	<p>We recommend to the following amendments to section 3.2.9:</p> <p>ACTION: 'Calculate revised EACs incorporating any audit-derived uplift <u>adjustment</u>. Complete UMS Certificate. Issue to Customer and Supplier.'</p> <p>INFORMATION REQUIRED: <u>and/or details of audit-derived adjustment</u></p>
8	ELEXON	BSCP520	3.2.2	-		<p>We recommend adding further text to the ACTION field to recognise that an Audit-derived adjustment should always be reviewed when a revised Inventory is received:</p> <p>'Where an Audit-derived adjustment is already in place, revise or remove adjustment in light of revised inventory.'</p>

Appendix 2: CP1339 'Amendments to BSCP533 to enable changes to the hosting and operation of the PARMS system'

1 Why Change?

1.1 Background

1.1.1 ELEXON raised CP1339 on 6 August 2010.

1.2 The Problem

- 1.2.1 We are making a number of improvements in the hosting and operation of the Performance Assurance Monitoring and Reporting System (PARMS). Between August 2010 and October 2010 we will transition to these new arrangements; all Performance Assurance Parties continue to submit PARMS files to the ELEXON email address in accordance with the current operational version of BSCP533.
- 1.2.2 BSCP533 and its appendices and BSCP536 currently include numerous references to Performance Assurance Administrator (PAA), PARMS@elexon.co.uk, PAA@elexon.co.uk, ELEXON and BSCCo. Many of these references will be incorrect, obsolete or misleading as a result of transitioning PARMS hosting and operation.
- 1.2.3 From 01 November 2010, Performance Assurance Parties should submit PARMS files directly to PARMS at Logica.
- 1.2.4 For the avoidance of doubt, ELEXON will continue to perform the PAA role as specified in the BSC.
- 1.2.5 ELEXON informed Performance Assurance Parties of these changes via ELEXON Circular EL01808 on 16 July 2010. We did not receive any responses from Performance Assurance Parties to indicate that these changes would have a significant impact on them.

2 Solution

- 2.1 Amend BSCP533, BSCP533 Appendix B, BSCP533 Appendix C⁴ and BSCP536 to:
- i) Amend any reference to "PAA" to read "PARMS" where the process step relates to files being sent to PARMS;
 - ii) Remove all reference to PARMS@elexon.co.uk;
 - iii) Specify the email addresses for files to be issued to and from PARMS and the PAA once only in BSCP533 and BSCP536;
 - iv) Remove the use of fax and paper submissions to PARMS; and
 - v) Amend the SVA Data Catalogue to change "PAA" to "PARMS" as the recipient of P-flows used by the PARMS system.
- 2.2 All changes to Code Subsidiary Documents should be implemented on 1 November 2010, at the same time as CP1325 "Removal of Obsolete Serials".

⁴ Please note that BSCP533 Appendix C hasn't become effective yet and that the proposed changes to it, if approved, would be implemented in v1.0.

3 Intended Benefits

- 3.1 These changes are required to inform Performance Assurance Parties of the revised procedure for submitting PARMS data after the end of the transition period following the change of hosting and operation of the PARMS system and to formalise the amended process for Performance Assurance Parties receiving and querying PARMS reports which is currently being used. This will ensure that PARMS data is submitted, received and processed appropriately and therefore the accuracy of PARMS data is maintained.

4 Industry Views

- 4.1 We issued CP1339 for impact assessment in August 2010 (via CPC00686). We received 12 responses; all support this CP to be implemented on 1 November 2010.

5 Impacts and Costs

Market Participant	Cost/Impact	Implementation time needed
ELEXON (Implementation)	The estimated ELEXON implementation cost is 1 man day, which equates to £240.	November 2010 Release suitable
Supplier, HH & NHH MOA	They will need to modify their PARMS submission procedure.	November 2010 Release suitable

6 Implementation Approach

- 6.1 CP1339 should be implemented in the November 2010 release (effective from 1 November 2010) since the new procedures for the submission of PARMS data and the receipt of PARMS reports must be included in BSCP533 on 1 November 2010 to ensure that Performance Assurance Parties send PARMS data to the correct PARMS addresses. All respondents feel that the implementation date is achievable. This will allow a single version of each of the PARMS-related BSCPs is issued for CP1325 and CP1339.

7 Recommendations

- 7.1 We recommend, based on this CP ensuring that PARMS data is submitted, received and processed appropriately and together with unanimous industry support, that you:
- **AGREE** our suggested amendments to the redline text; and
 - **APPROVE** CP1339 for implementation in the November 2010 Release (effective from 1 November 2010).

Contact the Lead Analyst:

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Table 4: Industry Impact Assessment Summary for CP1339 – Amendments to BSCP533 to enable changes to the hosting and operation of the PARMS system

IA History CPC Number	CPC00686	Impacts	BSCP533, BSCP533 Appendix B, BSCP533 Appendix C, BSCP536, and SVA Data Catalogue Volume 1		
Organisation	Capacity in which Organisation operates in	Agree?	Impacted?	Days needed to implement	
EnDCo	Supplier (HH only)	Yes	Yes	5	
EDF Energy Networks	EDF Energy Networks (EPN) plc, EDF Energy Networks (LPN) plc, EDF Energy Networks (SPN) plc, EDF Energy (IDNO) Ltd (EDFI)	Yes	Yes	-	
Spark Energy Limited	Supplier	Yes	Yes	90	
MRASCo Ltd	MRASCo	Yes	No	-	
United Utilities	HH & NHH MOA	Yes	Yes	30	
CE Electric UK	LDSO, UMSO	Yes	Yes	60	
EDF Energy	Supplier, NHH Agent and HH MOP	Yes	No	-	
Npower Limited	Supplier/ Supplier Agents	Yes	No	N/A	
Southern Electric Power Distribution; Keadby Generation Ltd; SSE Energy Supply Ltd; SSE Generation Ltd; and Scottish Hydro-Electric Power Distribution Ltd; Medway Power Ltd; SSE Metering Ltd.	Supplier/Generator/ Trader / Party Agent / Distributor	Yes	Yes	-	
E.ON	Supplier	Yes	No	-	
Accenture Services Limited (for and on behalf of ScottishPower)	-	Yes	No	-	
E.ON UK Energy Services Limited	MOA	Yes	Yes	90	

Table 5: Impact Assessment Responses⁵

Organisation	Agree?	Impacted?	Comments	ELEXON Response
EnDCo	Yes	Yes	For which role is your organisation impacted – Supplier Please state what the impact is – Modification of PARMS submission procedure Would implementation in the proposed Release have an adverse impact on your organisation? No Associated costs – negligible cost Any other comments – It is a small amount of effort for us to amend our PARMS submission procedures to include the new contact details.	--
EDF Energy Networks	Yes	Yes	For which role is your organisation impacted – Distribution Would implementation in the proposed Release have an adverse impact on your organisation? No	--
Spark Energy Ltd	Yes	Yes	For which role is your organisation impacted – Supplier Please state what the impact is – Change to creation of Serials Would implementation in the proposed Release have an adverse impact on your organisation? Not Known at this time Associated costs – Not Known at this time	The respondent now confirmed that the only impact would be a change of PARMS submission procedure and considered 1 November 2010 implementation date achievable.
MRASCo Ltd	Yes	No	Would implementation in the proposed Release have an adverse impact on your organisation? No	--
United Utilities	Yes	Yes	For which role is your organisation impacted – HH & NHH MOA Please state what the impact is – Amendment of system reporting function Would implementation in the proposed Release have an adverse impact on your organisation? No	--
CE Electric UK	Yes	Yes	For which role is your organisation impacted – LDSO Please state what the impact is – Procedural amendment required Would implementation in the proposed Release have an adverse impact on your organisation? No, however as above we would prefer 60 working days notice	--
Npower Limited	Yes	No	Lead time comment - Our current understanding leads us to believe that the proposed changes to BSCP533 do not have any impact on our systems and processes and as such no notice to implement would need to be given. Would implementation in the proposed Release have an adverse impact on	--

⁵ Please note that we have only included responses in this table where the respondent provided additional information.

Organisation	Agree?	Impacted?	Comments	ELEXON Response
			your organisation? No impact is foreseen. Associated costs - No costs are envisaged.	
E.ON UK Energy Services Limited	Yes	Yes	Agree change comment - This change is needed to accommodated the proposed transfer of activity. For which role is your organisation impacted – MOA NHHDC-DA Please state what the impact is – Changes required to internal procedures Would implementation in the proposed Release have an adverse impact on your organisation? No Associated costs – Minimal	The respondent confirmed that they would: 1) need to amend our internal procedures to reflect the revised e-mail for the submission of PARMs serials 2) be able to meet the November 2010 release

Table 6: Comments on the redline text

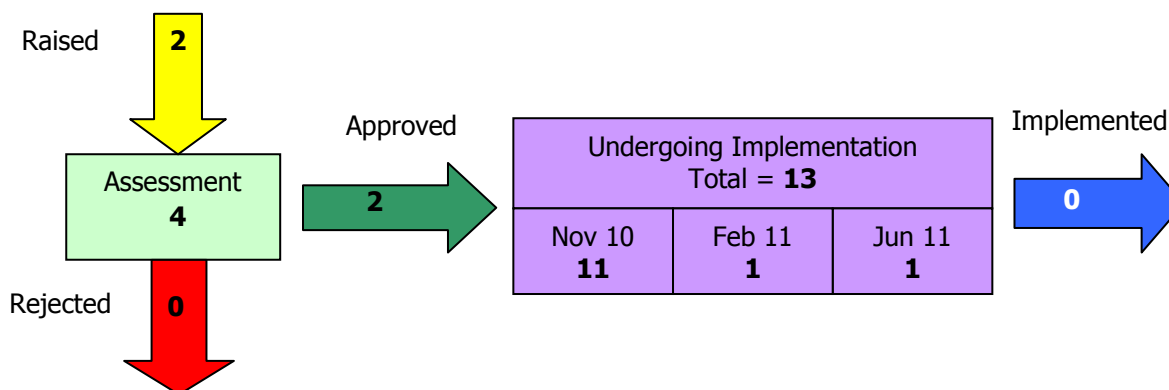
No.	Organisation	Document Name	Location	Severity Code	Comments	ELEXON Recommendations
1	EnDCO	BSCP533 v15 r1 v0.4	Page 9, 1.8.2	L	Redline PARMS: section does not make grammatical sense. Should be: "PARMS: Throughout this procedure PARMS refers <u>to the</u> PARMS IT system, unless stated..."	We agree that the suggested change should be made and recommend BSCP533 section 1.8.2 to be reworded as: "PARMS: Throughout this procedure PARMS refers <u>to the</u> PARMS IT system, unless stated..."
2	Accenture Services Limited (for and on behalf of ScottishPower)	Appendix A - BSCP 533	Section 3.8 Supplier Validation (SVAA Data) Ref – 3.8.2 + 3.8.3	L	Section 3.8.2 – within the When column it states 'By +1WD of 3.8.2' – I believe this should read 'By +1WD of 3.8.1'. Similarly Section 3.8.3 within the When column it states 'By +1WD of 3.8.3' – I believe this should read 'By +1WD of 3.8.2'.	This error was not introduced for CP1339, but is a manifest, non-material error which can be corrected now. We recommend BSCP533 Section 3.8.2 to be corrected to: By +1WD of 3.8. 2 <u>1</u> and Section 3.8.3 to be corrected to: ' By +1WD of 3.8. 3 <u>2</u> '
3	Accenture Services Limited (for and on behalf of ScottishPower)	Appendix A - BSCP 533	Section 3.11 Request for Late Report	L	Ref 3.11.2a refers to '1WD after 3.9.1'. 3.9.1 relates to Ad Hoc Reports, whereas section 3.11 relates to Late Reports. I believe this section should read '1WD after 3.11.1	This error was not introduced for CP1339, but is a manifest, non-material error which can be corrected now. We recommend Ref 3.11.2a to be corrected to: '1WD after 3. 9 <u>11</u> .1'
4	Accenture Services Limited (for and on behalf of ScottishPower)	Appendix A - BSCP 533	Page 46 – F533/07	L	Final amendment on page reads 'Please send to Email to the PAA' whereas it should read 'Pease send Email to the PAA'	We agree that the suggested change should be made and recommend BSCP533 section 1.8.2 to be reworded as: 'Pease send to Email to the PAA'

Appendix 3 - New Change Proposals

DCP/CP	CVA/SVA	Title	Description	Raised
CP1340	SVA & CVA	Changes to BSCP537 Appendix 1 - Self Assessment Document (SAD) to better reflect the BSC Obligations	BSCP537 Appendix 1 'Self Assessment Document' contains the requirements for both Qualification and re-Qualification. This CP proposes to update certain sections in BSCP537 Appendix 1 to better reflect BSC obligations.	03/09/2010
CP1341	SVA	Unmetered Supplies: Accommodating Multi-Level Static Dimming Devices in Half-Hourly and Non-Half Hourly Settlement	We raised DCP0046 to seek views from Unmetered Supplies Operators and Meter Administrators on the practicalities, impacts, costs and lead times associated with the lower-level detail needed to support the expert group's solution. All respondents supported the intention of the change. Although there were divergent views on some points, there was a clear preference on the way forward. After discussing the next steps with each respondent and the UMSUG, we have raised CP1341 to progress the solution for implementation.	03/09/2010

Appendix 4 - Summary of Open Change Proposals

There are currently **17** open CPs, the ISG owns **1** CP, the ISG and SVG co-own **7** CPs, and the SVG own the remaining **9** CPs. **2** new CPs have been raised since the last SVG meeting.



Please note:

- The numbers in the boxes indicate current number of CPs in a given phase.
- The numbers in arrows show the variance in the past month.

Appendix 5 - BSC Releases

Change Proposals and Modification Proposals in **BLACK** text represents SVA changes, **RED** text represents CVA changes and **BLUE** text represents changes which impact both the SVA and CVA arrangements.

Key

P = Modification Proposal number

Pro✓/Pro✖ - Indicates that the Panel's recommendation to the Authority was to Approve/Reject the proposed Modification

Alt✓/Alt✖ - Indicates that the Panel's recommendation to the Authority was to Approve/Reject the Alternative Modification

	Pending CPs and Modifications	Approved CPs and Modifications	Updates
Nov 2010 Scope (Imp. Date 4 Nov 10)	1339	1267, 1315, 1325*, 1327, 1328, 1329, 1330, 1331, 1333, 1337, 1338 P243 Alt✓, P244 Alt✓	The scope of the November 10 Release contains two Modifications and eleven Change Proposals. P243 'Publication of Generator Forward Availability by Fuel Type' and P244 'Provision of BritNed Data to BMRS' were both approved for implementation on 4 November as part of the Release. Both the Application Management and Development (AMD) and Business Process Operator (BPO) service providers are working together to deliver the changes for the Release. The AMD has completed the development of the changes to the BMRA system and are currently carrying out The AMD is carrying out Factory Acceptance Testing (FAT) which the BPO is witnessing. One CP, which impacts PARMS software, will be implemented on 1 November 2010. Changes to Code Subsidiary Documents also impacted by this CP will become effective on this date. All other changes will be implemented on 4 November 2010.
Feb 2011 Scope (Imp. Date 24 Feb 11)	1336, 1340, 1342	1335	The scope of the Feb 11 Release includes one approved CP (CP1335). No Modifications have been approved for the Release yet.
Jun 2011 Scope (Imp. Date 30 Jun 11)	1341	1334**	The scope of the June 11 Release includes one approved CP (CP1334). No Modifications have been approved for the Release yet.
Standalone Releases	P229 Pro✖/Alt✖ P256 Pro✓/Alt✖ P257 Pro✓/Alt✖ P258 Pro✖/Alt✖		

* CP1325 has been approved to be implemented on the 1 November 2010, but is included in the November 10.

** CP1334 has been approved to be implemented on the 1 July 2011, but is included in the June 2011 Release.