

Draft MODIFICATION REPORT for Modification Proposal P222 'Provision of EAC and AA data to Distributors'

Prepared by: ELEXON¹ on behalf of the BSC Panel

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Proposed Modification P222 seeks to provide Licensed Distribution System Operators (LDSOs) with Estimated Annual Consumption (EAC) and Annualised Advance (AA) information through placing a specific obligation on the Supplier (via their Non Half Hourly Data Collector) to send a D0019 'Metering System EAC/AA data' flow at the same time as it is sent to the Supplier and Non Half Hourly Data Aggregator.

Alternative Modification P222 seeks to provide LDSOs, who wish to receive it, with a snapshot of EAC data through placing a specific obligation on the Supplier (via their Non Half Hourly Data Aggregator) to send a new data flow on CD. This would be sent quarterly.

BSC PANEL'S RECOMMENDATIONS

Having considered and taken into due account the contents of the P222 draft Modification Report, the BSC Panel recommends:

- that Proposed Modification P222 **should not** be made;
- that Alternative Modification P222 **should** be made;
- an **Implementation Date** for the Proposed and Alternative Modification P222 of **25 June 2009** if an Authority decision is received on or before 19 September 2008, **or 5 November 2009** if the Authority decision is received after 19 September 2008 but on or before 20 February 2009
- the proposed text for modifying the Code, as set out in the Modification Report.

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Thank you.

² The current version of the Code can be found at <http://www.elexon.co.uk/bscrelateddocs/BSC/default.aspx>

CONTENTS TABLE

Summary of Impacted Parties and Documents	3
1 Description of Modification	4
1.1 Proposed Modification	4
1.2 Alternative Modification	5
2 Areas Raised by the Terms of Reference	7
3 Implementation Approach and Costs.....	7
3.1 Cost Summary	7
3.2 Proposed Modification	7
3.3 Alternative Modification	8
4 Rationale for Modification Group's Recommendations to the Panel	9
4.1 Assessment of Proposed Modification Against Applicable BSC Objectives	9
4.2 Assessment of Alternative Modification Against Applicable BSC Objectives	9
4.3 Implementation Date.....	10
4.4 Legal Text.....	11
5 Rationale for Panel's Recommendations to the Authority.....	11
5.1 Panel's Consideration of Assessment Report.....	11
5.2 Results of Report Phase Consultation	15
5.3 Panel's Consideration of Draft Modification Report	15
5.4 Panel's Final Recommendation to the Authority	15
6 Terms Used in this Document	15
7 Document Control	16
7.1 Authorities	16
7.2 References.....	16
Appendix 1: Legal Text	18
Appendix 2: Process Followed	18
Appendix 3: Assessment Report	19
Appendix 4: Results of Impact Assessment.....	19
Appendix 5: Report Phase Consultation Responses	23

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SUMMARY OF IMPACTED PARTIES AND DOCUMENTS

As far as the Modification Group has been able to assess, the following parties/documents would be impacted by P222.

Please note that this table represents a summary of the full impact assessment results contained in Appendix 4.

Parties	Sections of the BSC	Code Subsidiary Documents
Distribution System Operators <input checked="" type="checkbox"/>	A <input type="checkbox"/>	BSC Procedures <input checked="" type="checkbox"/>
Generators <input type="checkbox"/>	B <input type="checkbox"/>	Codes of Practice <input type="checkbox"/>
Interconnectors <input type="checkbox"/>	C <input type="checkbox"/>	BSC Service Descriptions <input type="checkbox"/>
Licence Exemptable Generators <input type="checkbox"/>	D <input type="checkbox"/>	Party Service Lines <input type="checkbox"/>
Non-Physical Traders <input type="checkbox"/>	E <input type="checkbox"/>	Data Catalogues <input checked="" type="checkbox"/>
Suppliers <input checked="" type="checkbox"/>	F <input type="checkbox"/>	Communication Requirements Documents <input type="checkbox"/>
Transmission Company <input type="checkbox"/>	G <input type="checkbox"/>	Reporting Catalogue <input type="checkbox"/>
Party Agents	H <input type="checkbox"/>	Core Industry Documents
Data Aggregators <input checked="" type="checkbox"/>	I <input type="checkbox"/>	Ancillary Services Agreement <input type="checkbox"/>
Data Collectors <input checked="" type="checkbox"/>	J <input type="checkbox"/>	British Grid Systems Agreement <input type="checkbox"/>
Meter Administrators <input type="checkbox"/>	K <input type="checkbox"/>	Data Transfer Services Agreement <input type="checkbox"/>
Meter Operator Agents <input type="checkbox"/>	L <input type="checkbox"/>	Distribution Code <input type="checkbox"/>
ECVNA <input type="checkbox"/>	M <input type="checkbox"/>	Distribution Connection and Use of System Agreement <input checked="" type="checkbox"/>
MVRNA <input type="checkbox"/>	N <input type="checkbox"/>	Grid Code <input type="checkbox"/>
BSC Agents	O <input type="checkbox"/>	Master Registration Agreement <input checked="" type="checkbox"/>
SAA <input type="checkbox"/>	P <input type="checkbox"/>	Supplemental Agreements <input type="checkbox"/>
FAA <input type="checkbox"/>	Q <input type="checkbox"/>	Use of Interconnector Agreement <input type="checkbox"/>
BMRA <input type="checkbox"/>	R <input type="checkbox"/>	BSCCo
ECVAA <input type="checkbox"/>	S <input checked="" type="checkbox"/>	Internal Working Procedures <input type="checkbox"/>
CDCA <input type="checkbox"/>	T <input type="checkbox"/>	BSC Panel/Panel Committees
TAA <input type="checkbox"/>	U <input type="checkbox"/>	Working Practices <input type="checkbox"/>
CRA <input type="checkbox"/>	V <input type="checkbox"/>	Other
SVAA <input type="checkbox"/>	W <input type="checkbox"/>	Market Index Data Provider <input type="checkbox"/>
Teleswitch Agent <input type="checkbox"/>	X <input type="checkbox"/>	Market Index Definition Statement <input type="checkbox"/>
BSC Auditor <input type="checkbox"/>		System Operator-Transmission Owner Code <input type="checkbox"/>
Profile Administrator <input type="checkbox"/>		Transmission Licence <input type="checkbox"/>
Certification Agent <input type="checkbox"/>		
Other Agents		
Supplier Meter Registration Agent <input type="checkbox"/>		
Unmetered Supplies Operator <input type="checkbox"/>		
Data Transfer Service Provider <input checked="" type="checkbox"/>		

1 DESCRIPTION OF MODIFICATION

This section outlines the solution for the Proposed Modification and Alternative Modification as developed by the Modification Group.

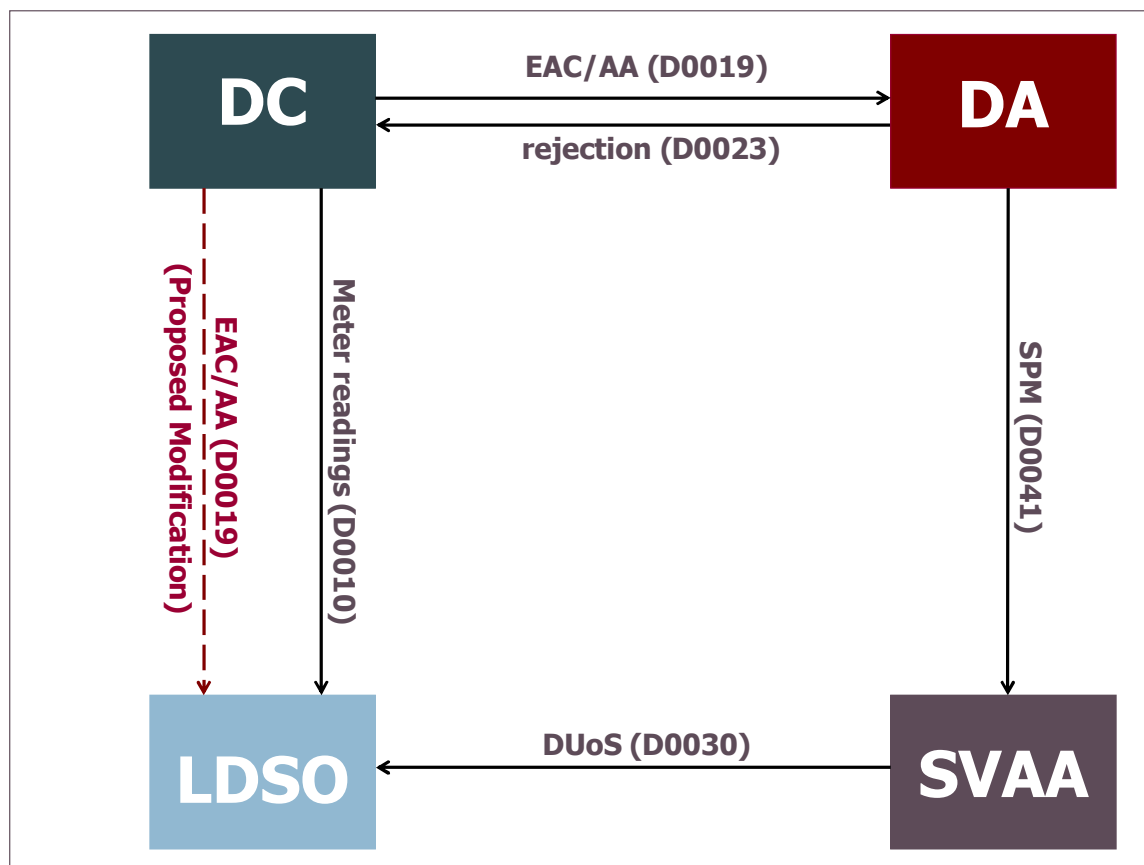
For a full description of the original Modification Proposal as submitted by The Electricity Network Company Limited (‘the Proposer’), please refer to the P222 Initial Written Assessment (IWA).

1.1 Proposed Modification

P222 seeks to ensure that LDSOs receive EAC or AA data for Metering Systems located within their Distribution Network. It is proposed that this information be provided by the Non Half Hourly Data Collector (NHHDC) sending a D0019 flow to the relevant LDSO. This can be seen as the red dotted line in Figure 1 below.

P222 proposes that the receipt of the D0019 flow would provide the desired site specific consumption data for Non Half Hourly metered sites.

Figure 1. Proposed modification - D0019 flow from NHHDC to LDSO



The NHHDC would identify relevant LDSOs to receive the D0019 flow. This would be achieved by using the LDSO ID contained in the Meter Point Administrator Number (MPAN). LDSOs would only receive D0019 flows where their LDSO ID appears in these first two digits of the core MPAN.

When the NHHDC sends D0019 flows to Suppliers and NHHDA, the NHHDC would be required to also send the D0019 data to the relevant LDSOs³. This flow would be sent across the Data Transfer Network (DTN).

³ The relevant DSOs would therefore receive a D0019 flow every time that a D0019 is generated by the NHHDC and provided to the NHHDA in accordance with Section 5 of the BSC.

Via the obligation on the Supplier, it will be mandatory for the NHHDC to provide the information to the LDSO.

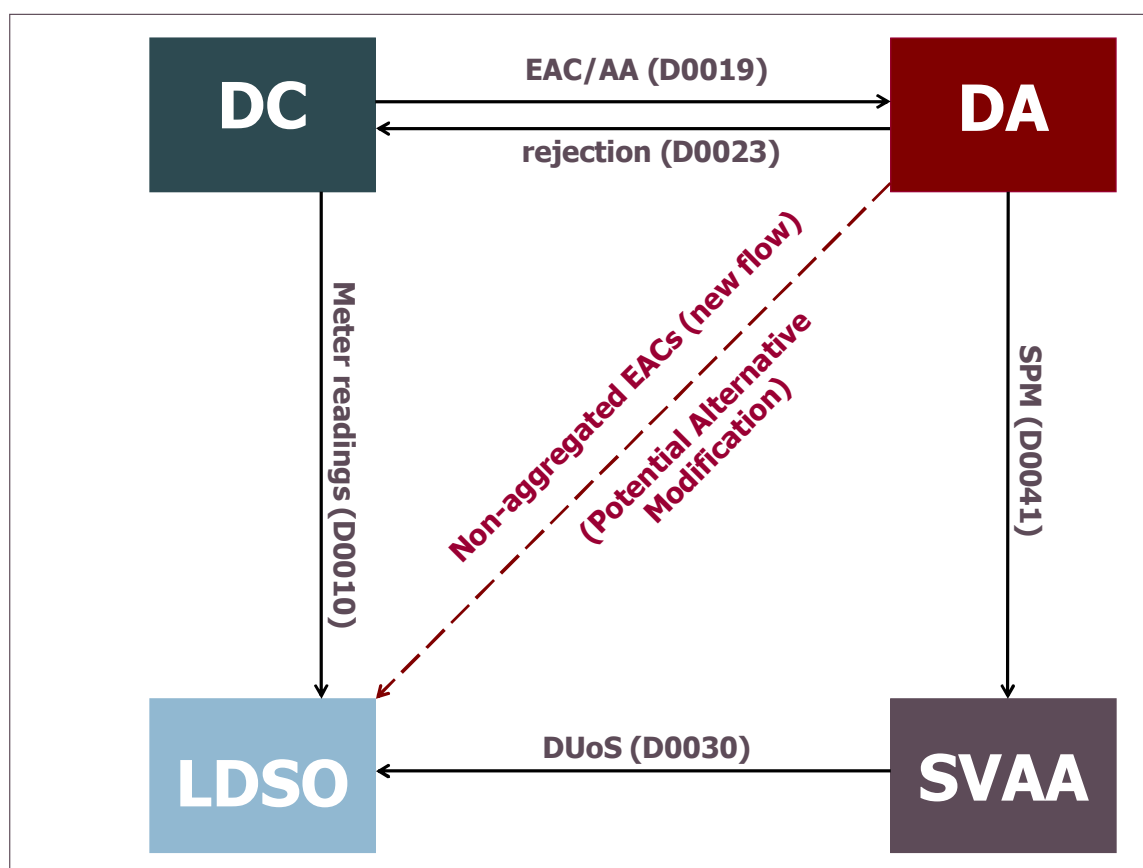
This would require an update to the Data Transfer Catalogue (DTC) and DTN. The DTC and DTN would require amendment to ensure it was clear that the LDSO is to be an additional recipient of the D0019 data.

For the avoidance of doubt, the new flow from the NHHDC to the LDSO would be accepted by the LDSOs on an 'as is' basis, and there would be no formal process for the LDSO to query the accuracy of the data⁴. There would be no additional obligations placed on Suppliers or NHHDCs.

1.2 Alternative Modification

As with the Proposed Modification, the Alternative Modification also seeks to ensure that LDSOs receive EAC data for Metering Systems located within their Distribution Network. It is proposed that this information be provided by the Non Half Hourly Data Aggregator (NHHDA) sending a new flow to the relevant LDSO. This can be seen as the red dotted line in Figure 2 below. The data items of the new flow can be found in the Assessment Report (see Appendix 3) and will detail Non-Half Hourly consumption EACs⁵ by GSP Group, Profile Class, and Line Loss Factor. This will provide site specific consumption data to LDSOs.

Figure 2. Alternative Modification – New flow from NHHDA to LDSOs



LDSOs that wish to receive this information would have to 'opt in', by notifying the Supplier and NHHDA⁶ in writing that it requires the data. The NHHDA would then identify the relevant LDSOs to receive the new

⁴ Although this would not prevent the LDSO from raising a query if it wished to do so.

⁵ The flow will contain EAC data as opposed to AA data. This is due to the EAC being a better guide to the customer's consumption.

⁶ It was highlighted that, as initially drafted, the Alternative Modification gave the LDSOs the ability to opt out of receiving the information rather than requiring them to 'opt in'. This would mean that an obligation would be placed on Suppliers to provide the information unless notified by the LDSO that they did not want it. This prompted the Group to consider whether it was appropriate to have an 'opt out' or 'opt in' ability for the LDSOs. The Group believed that it was more appropriate to have LDSOs opt in, and for the LDSO to inform the Supplier and the NHHDA were they to opt in.

flow. This would be based on the LDSO ID contained in the MPAN. LDSOs should only receive this new flow where their LDSO ID appears in these first two digits of the core MPAN.

The new flow would be required to be sent quarterly to any LDSOs who have opted to receive it. This would be sent on (or the first business day after) 1 February, 1 May, 1 August, and 1 November of each year⁷. The data to be captured in the new flow would be a snapshot of the EAC data available on that day. This flow would be sent by password protected CD from the NHHDA to the relevant LDSO. The Alternative Modification would therefore require a change to the SVA Data Catalogue, where the new flow would need to be added.

For the avoidance of doubt, the new flow from the NHHDA to the LDSO would be accepted by the LDSOs on an 'as is' basis and there would be no formal process for the LDSO to query the data. There would be no additional obligations placed on Suppliers or NHHDA in this area.

⁷ Note that the reason for selecting 1 May is that many meter readings will be submitted quarterly based on the financial year that starts on 1 April. Taking a snapshot on 1 May would allow for those meter readings to be captured in the data sent to the DSOs.

2 AREAS RAISED BY THE TERMS OF REFERENCE

The following areas were considered by the Modification Group during the Assessment Procedure for P222:

- Confirm the Proposed Solution;
- Benefits and avoided cost of a central solution;
- Benefits of the Proposed solution data flow (D0019) compared with existing data available to LDSOs;
- Master Registration Agreement (MRA) and Data Transfer Network/Catalogue considerations;
- What has changed since P043 was rejected;
- Non-BSC solution – Distribution Connection and Use of System Agreement (DCUSA) change; and
- Cost Recovery.

These issues are discussed in the Assessment Report contained in Appendix 3, and are not covered further here.

3 IMPLEMENTATION APPROACH AND COSTS

3.1 Cost Summary

	Demand Led (plus ELEXON cost)	MRA (Data Transfer Network)	Party Agents	Distributors
Proposed Modification	Zero (+£4,000)	£25,000 per annum	£6,000 to £45,000	£5,000 to £7,000
Alternative Modification	£70,000 (+ £24,000)	Zero	£5,000 to £25,000	£5,000

There was a range of responses from Party and Party Agent's in respect of the time required to implement the Proposed Modification or Alternative Modification. These are, in almost all instances, in excess of Central Systems and BSSCo implementation requirements. The most common responses fell in the range of 6-9 months for both the Proposed and Alternative Modification. Therefore an initial implementation approach was based on an Implementation Date 9 months following an Authority decision.

3.2 Proposed Modification

Proposed Modification Costs – ELEXON and Central Service Providers

PROPOSED MODIFICATION IMPLEMENTATION COSTS⁸

	Stand Alone Cost	Tolerance
Total Demand Led	£0	n/a

⁸ An explanation of the cost terms used in this section can be found on the BSC Website at the following link:
http://www.elexon.co.uk/documents/Change_and_Implementation/Modifications_Process_-_Related_Documents/Clarification_of_Costs_in_Modification_Procedure_Reports.pdf

Implementation Cost			
ELEXON Implementation Resource Cost		17 man days £3,740	+/- 10%
Total Implementation Cost		£3,740	+/- 10%

The results of the industry impact assessment can be found in Appendix 4.

3.3 Alternative Modification

Alternative Modification Costs - ELEXON and Central Service Providers

ALTERNATIVE MODIFICATION IMPLEMENTATION COSTS⁹

		Stand Alone Cost	Tolerance
Service Provider¹⁰ Cost			
	Change Specific Cost	£67,000 (12 weeks)	+/- 0%
	Release Cost	£0	+/- 0%
	Incremental Release Cost	£0	+/- 0%
	Total Service Provider Cost	£67,000	+/- 0%
Implementation Cost			
	External Audit	£0	+/- 0%
	Design Clarifications	£3,350	+/- 0%
	Additional Resource Costs	£0	+/- 0%
	Additional Testing and Audit Support Costs	£0	+/- 0%
Total Demand Led Implementation Cost		£70,350	+/- 0%

ELEXON Implementation Resource Cost		111 man days £24,420	+/- 10%
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⁹ An explanation of the cost terms used in this section can be found on the BSC Website at the following link:
http://www.elexon.co.uk/documents/Change_and_Implementation/Modifications_Process_-_Related_Documents/Clarification_of_Costs_in_Modification_Procedure_Reports.pdf

¹⁰ BSC Agent and non-BSC Agent Service Provider and software costs.

Total Implementation Cost		£94,770	+/- 5%
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The results of the industry impact assessment can be found in Appendix 4.

4 RATIONALE FOR MODIFICATION GROUP'S RECOMMENDATIONS TO THE PANEL

This section summarises the recommendations of the Modification Group, as detailed in the Assessment Report in Appendix 3.

4.1 Assessment of Proposed Modification Against Applicable BSC Objectives

The **MAJORITY** view of the Modification Group was that the Proposed Modification **WOULD NOT** better facilitate the achievement of Applicable BSC Objectives when compared to the current Code baseline, for the following reasons:

- Benefits had not been proven to exist (and the Group did not believe that there was a piece of analysis that could be done to meaningfully quantify potential benefits); and
- The use of the information by only some LDSOs would erode any perceived benefits.

Some members of the majority of the Group believed that there was a tenuous argument that there would be a detriment to the Applicable BSC Objectives:

- The ongoing costs associated with the Proposed Modification, and the contractual risk of new obligations would be detrimental to competition (Objective (c)) as higher costs for Suppliers would be more likely to deter new entrants to the Supply market.

The **MINORITY** view of the Group was that the Proposed Modification **WOULD** better facilitate the achievement of Applicable BSC Objectives when compared to the current Code baseline, for the following reasons:

- The Proposed Modification provides for increased ability for new distributed/embedded generation to enter the market, and for small scale generation to compete with larger scale generation. The D0019 information would allow LDSOs to determine the quantities that a generator delivers locally to be netted off against local demand (e.g. as in a regional power zone). This would allow for more cost reflective Distribution Use of System charges which would provide the correct incentives on generators, therefore enhancing competition; and
- Improved granularity of information that LDSOs have access to will improve the data that ultimately enters Settlement as LDSOs may be able to highlight issues causing erroneous data. Improving the accuracy of data in Settlement benefits all Parties by creating fairer arrangements which, in turn, promote competition.

The Group agreed that the Proposed Modification would have a neutral impact on Applicable BSC Objectives (a) and (b).

4.2 Assessment of Alternative Modification Against Applicable BSC Objectives

The **MAJORITY** view of the Modification Group was that the Alternative Modification **WOULD NOT** better facilitate the achievement of Applicable BSC Objectives when compared to the current Code baseline, for the same reasons as given for the Proposed Modification.

After considering the consultation responses the Modification Group was **SPLIT** as to whether the Alternative Modification would better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification. The members voted as follows:

Member	Proposed vs Baseline	Alternative vs Baseline	Alternative vs Proposed
Member 1	N	N	N
Member 2	N	N	N
Member 3	N	N	N
Member 4	N	N	N
Member 5	N	N	Y
Member 6	N	N	Y
Member 7	N	N	Y
Member 8	Y	Y	Y

Members who believed the Alternative was better than the Proposed did so for one or more of the following reasons:

- The expected lower cost to the industry as a whole would result in a more efficient solution. This is because there is no need to put automated processes in place across so many different systems and the information can be more easily processed without the need for large systems. Better industry efficiency is beneficial to competition;
- The ability to 'opt in' and the quarterly sending of the data would result in lower data flows than the Proposed and therefore have efficiency gains. Again, better industry efficiency is beneficial to competition; and/or
- The new data flow under the Alternative Modification contains validated data so it would be more valuable and more likely to achieve the benefits identified by the minority of the Group.

Members who believed the Alternative was not better than the Proposed did so for one or more of the following reasons:

- The ability to 'opt in' and the quarterly sending of the data would result in any BSC benefits that are attributable to P222 being eroded; and/or
- If no arguments can be made against the BSC Objectives in support of the Proposed Modification, then even if this is same for the Alternative Modification, it is not possible to say that the Alternative better facilitates the Applicable BSC Objectives than the Proposed Modification.

The Group agreed that the Alternative Modification would have a neutral impact on Applicable BSC Objectives (a) and (b).

4.3 Implementation Date

The Modification Group agreed the following recommended implementation approach for both Proposed and Alternative Modification P222:

- An Implementation Date of 25 June 2009 if an Authority decision is received on or before 19 September 2008; or

- 5 November 2009 if an Authority decision is received after 19 September 2008 but on or before 20 February 2009.

As part of Implementation for the Alternative Modification, LDSOs would be informed by ELEXON who the relevant NHHDA's are. This is to enable LDSOs to be able to notify both Suppliers and NHHDA's that they wish to 'opt in' to receive the new data flow.

The implementation would require updates to BSCPs as indicated in Appendix 4. These would need to be updated to include the detail of how the obligations put on Parties under Section S of the BSC would be carried out.

4.4 Legal Text

The Modification Group has reviewed the text for the Proposed Modification and Alternative Modification and agreed that it delivers the solution developed by the Group.

A copy of the draft legal text can be found in Appendix 1.

5 RATIONALE FOR PANEL'S RECOMMENDATIONS TO THE AUTHORITY

5.1 Panel's Consideration of Assessment Report

The Panel considered the P222 Assessment Report at its meeting on 8 May 2008. This section summarises the Panel's discussions in formulating its provisional recommendation for inclusion in the draft Modification Report.

5.1.1 Panel Discussion

Absent member views heard

The Panel heard views presented by correspondence from an absent Panel member. The member indicated that when Ofgem rejected P043 (which also sought to provide Distributors with this information), Ofgem had not questioned the desirability of the provision of the information. Ofgem had instead indicated that routes other than the BSC would be more appropriate. However, the member pointed out that the P222 Assessment Report indicated that non-BSC methods, or requiring LDSO's to duplicate processes that exist within the BSC would be at an equivalent, if not higher, cost (which is borne by the Supplier and ultimately the customer).

Additionally, the member indicated that Independent LDSOs had indicated there was a business need for the P222 information. He did not believe it should be a requirement to have unanimous support from a class of participant.

The member also expressed that because the information is in the BSC domain, it should be made available to LDSOs. Denying LDSOs (and especially the Independent LDSOs) the information would be detrimental to their ability to offer negative Distribution Use of System (DUoS) charges – which is currently a major focus in the industry given the active policy mandate to stimulate distributed generation.

Another member noted that he was mindful of future market changes in relation to distributed generation, and P222 would be likely to facilitate this.

Background from the Distributor representative

The Distributor representative noted that the reason that P222 was put forward was to assist LDSOs discharge their obligations as set out in the Electricity Act and in their licences. This is a driver for a lot of what the LDSOs do.

The representative noted that some LDSOs would use the information, and some would not. However, it was noted that the Proposal was raised by an Independent LDSO, and they have indicated that this information would be of value. Often smaller Parties provide innovation, and if they believe it will help to provide more cost reflective DUoS charges, this view should not be dismissed.

The representative noted that whilst it might be difficult to uncover BSC benefits, there is likely to be more efficient investment in the Distribution Network by having DUoS charges that create the incentive for new generation to connect at locations that will delay reinforcement in the Network. The representative noted that some of these considerations could perhaps be addressed by the Authority given they have a wider remit than the Panel, and can take into account their wider statutory duties.

A member queried whether LDSOs would really use the P222 information for network planning purposes as they would have already made their investment decisions by the time that an EAC is available. The Distributor representative indicated that the annualised consumption information is useful as it allows an LDSO to know as much as they can about their existing network. This can help identify if they can take more load on the existing network or not, and help with investment decisions.

Potential new argument under Applicable BSC Objective (b) put forward

The Transmission Company representative noted that the majority views of respondents and the Modification Group were that there were no arguments for P222 against the Applicable BSC Objectives. He proposed that there is potentially a link that can be made to Applicable BSC Objective (b).

The test against Applicable BSC Objective (b) includes improving the co-ordinated operation of the GB transmission system. The Transmission Company provides information to Parties where this is seen as the most efficient thing to do to facilitate the co-ordinated operation of the GB transmission system. If a potentially wide reading is made of what is considered the operation of the GB transmission system (i.e. including the interaction with the distribution networks), by providing information that allows for greater co-ordination, P222 could be said to better facilitate Objective (b). If the cheapest way to provide this information is via the BSC then, arguably, this is the most efficient means to obtain the benefit.

It was noted that the argument provided was still a tenuous one, but potentially worth consideration. It might also have consequential positive impacts on Applicable BSC Objective (c). This would be via improved investment decisions (by LDSOs being able to improve their ability to identify what is the best place, and when would be the best time for investment). Additionally, providing the P222 data in the most cost effective manner has benefits for competition.

EACs can be produced from existing information

One Panel member noted that rejection of P222 is not depriving LDSOs of access to information. P222 simply saves them doing the calculation of an annualised consumption volume themselves. This is because the LDSOs could produce their own volumes from the site specific meter readings and total volume data that they get. Whilst they do have to process this data to calculate an annual volume per site, this then becomes a commercial decision for them to make based on whether they believe there is value in doing so.

The member's view was that P222 is therefore more about who pays for the calculation and provision of this data. It was noted that there was little information regarding how much it costs a new Distributor to calculate these volumes from the existing data.

Who pays?

P222 imposes costs on Party Agents which are ultimately borne by Suppliers. The Panel discussed the allocation of the costs under P222.

One member noted that it was the customer who ultimately pays. LDSOs pass on their costs to Suppliers (subject to their price control as determined by Ofgem) and Suppliers ultimately pass these costs onto the customers. Therefore, the question should be what the most efficient means for providing the information is.

The Assessment Report suggests that this could be the BSC. Another member noted that the Panel was not in the position to take a view on the overall welfare benefit (in terms of to customers) of P222.

Another member indicated that those Parties that have entered the market have already made investments in their systems. But Modifications such as P222 ask them for further outlays. In principle this could go on, and be a continuing burden on Parties. The principle of cost recovery is that efficiency occurs when costs are appropriately targeted. If a Party faces the costs then they will ensure they get a benefit from it. P222 does not target costs onto the Parties that obtain the benefit. This is similar to P216 'Audit of LLF Production' where benefits were attributable to Suppliers, yet costs faced by LDSOs¹¹. The member did not believe that either costs are appropriately targeted, and that the industry should not be 'swapping' costs between Modifications.

Another member indicated that it is the marginal cost of providing the information that should be considered, and not the average cost. The marginal cost of providing the P222 information could be considered low when compared to the average cost.

It was noted that if P222 was shown to have BSC benefits, then arguably, the costs of P222 are appropriately targeted. One member believed that competition in every area of the industry needs to be nurtured as there are overall benefits to the market from healthy competition. If the overall benefit to the market justifies the sharing of costs, then this could be considered appropriate.

Central provision vs individual systems

The Panel discussed the fact that LDSOs could produce their own volumes from D0010s and D0030s. Particularly, what is the desirability of having multiple individual systems set up to derive the data, compared to a central system that distributes this to all Parties.

As expressed previously, one member believed that, were costs targeted appropriately, LDSOs would be able to make commercial decisions of whether to produce their own volumes. Another member believed that any new entrants to the market should set up their systems to take into account the existing information flows.

Another member did not believe that individual systems should be encouraged over the central provision of data, especially when this is already calculated and in the BSC domain. It is just a matter of providing this to the Parties that want it.

A further member noted that whilst the information is available via the D0010s and D0030's, this is not in a very user friendly or helpful way.

5.1.2 Applicable BSC Objectives

The Panel acknowledged that the links to the Applicable BSC Objectives were tenuous and indirect ones. **Therefore, the views of many members are finely balanced. Where any additionally information on the benefits or cost savings of P222 can be provided (preferably with some financial value indicated), the Panel would find this useful in their final consideration of P222.**

The Panel recommendation is to reject Proposed Modification P222 and approve Alternative Modification P222. The Panel's majority view is that the benefits under the Proposed and Alternative Modification are the same. However, the costs of the Alternative Modification are less and the Panel were asked to note the additional arguments put forward by the Modification Group regarding the improvement of the Alternative over the Proposed.

a) Proposed Modification

The **UNANIMOUS** provisional view of the Panel was that the Proposed Modification **WOULD NOT** better facilitate the achievement of any of the Applicable BSC Objectives when compared to the current Code

¹¹ P216 incurred costs on Distributors when they would not obtain any benefit. Benefits of P216 were attributable to Suppliers. P222 is the reverse.

baseline, because despite the perceived benefits the costs of the Modification seem to outweigh the benefits (outlined in the benefits section below), especially when compared to the Alternative.

b) Alternative Modification

The **MAJORITY** provisional view of the Panel was that the Alternative Modification **WOULD** better facilitate the achievement of Applicable BSC Objective (c) when compared to the Proposed Modification, for the reasons outlined in the benefits section below.

The **MINORITY** provisional view of the Panel was that the Proposed Modification **WOULD NOT** better facilitate the achievement of any of the Applicable BSC Objectives when compared to the current Code baseline, for the reasons outlined in the drawbacks section below.

The Panel agreed that the Alternative Modification would have a neutral impact on Applicable BSC Objectives (a), (b), and (d).

c) Benefits

The majority of the Panel who believed there were BSC benefits arising from P222 did so for one or more of the following reasons:

Applicable BSC Objective (b)

- As described in the Panel discussion above.

Applicable BSC Objective (c)

- There is the potential for increased competition in the supply and generation of electricity from improved LDSO competition. The improved access to BSC information available to LDSOs would facilitate entry and the efficiency of LDSOs. It is in the Suppliers interest to have efficiently managed networks as costs should ultimately decrease. Greater competition amongst the LDSO community (potentially where they are competing for a franchise) benefits Suppliers who pay the DUoS charges. This would be via the potential for more cost reflective DUoS charges; and
- P222 provides for increased ability for new distributed/embedded generation to enter the market. Providing P222 information to LDSOs would allow for more cost reflective DUoS charges which would provide the correct incentives on generators, therefore enhancing competition in the generation of electricity.

d) Drawbacks

The minority of the Panel who believed that the BSC benefits did not exceed the BSC costs did so for one or more of the following reasons:

- No BSC benefits have been identified, and it is not possible to link P222 to any of the Applicable BSC Objectives.

Applicable BSC Objective (c)

- This objective is in relation to competition in the generation and supply of electricity and P222 cannot be satisfactorily linked to improving such competition. In relation to LDSO competition, it is difficult to suggest that this would be facilitated, particularly because LDSOs are natural monopolies who, at best, can only be described as competing for a franchise; and
- There has been no evidence provided of how the information provided under P222 would directly result in increased Distributed Generation.

e) Provisional recommendation to the Authority

The Panel therefore agreed a **MAJORITY** provisional recommendation to the Authority that:

- The Proposed Modification **should not** be made; and that
- The Alternative Modification **should** be made.

5.1.3 Implementation Date

The Panel agreed with the Modification Group's recommendation regarding the Implementation Date.

5.1.4 Legal Text

The Panel reviewed the draft text and agreed that it addresses the defect identified by the Modification Proposal.

5.2 Results of Report Phase Consultation

This section to be completed following the Report Phase consultation

5.3 Panel's Consideration of Draft Modification Report

This section to be completed following the Panel meeting at which the draft Modification Report and Report Phase consultation responses are considered.

5.4 Panel's Final Recommendation to the Authority

This section to be completed following the Panel meeting at which the draft Modification Report and Report Phase consultation responses are considered.

6 TERMS USED IN THIS DOCUMENT

Other acronyms and defined terms take the meanings defined in Section X of the Code.

Acronym/Term	Definition
AA	Annualised Advance
D0010	Meter Readings – this flow contains raw Meter reading data and is used in the

	creation of a D0019.
D0019	Metering System EAC/AA Data – information in this flow is derived using data from current and previous Meter reads (D0010) and the profiles over the read period to create an annual consumption for a metering point. The D0019 is then passed into the Non Half Hourly Data Aggregator.
D0030	Non Half Hourly DUoS Report – this flow contains the total profiled consumption for all Metering Systems (but not per Metering Systems) for a particular LDSO.
D0041	Supplier Purchase Matrix Data – this flow contains details of NHH Consumption per Supplier aggregated per GSP Group by profile class, line loss factor class and measurement requirement.
DCUSA	Distribution Connection and Use of System Agreement
LDSO	Licensed Distribution System Operator
DTC	Data Transfer Catalogue
DTN	Data Transfer Network
EAC	Estimated Annual Consumption
IDNO	Independent Distribution Network Operator
MPAN	Meter Point Administration Number – An MPAN is a unique number for each meter.
MRASCO	Master Registration Agreement Service Company
NHH	Non Half Hourly
NHHDA	Non Half-Hourly Data Aggregator
NHHDC	Non Half-Hourly Data Collector

7 DOCUMENT CONTROL

7.1 Authorities

Version	Date	Author	Reviewer	Reason for Review
0.1	14/05/08	Chris Stewart	David Jones	For quality/technical review
0.2	15/05/08	Chris Stewart	BSC Parties and other interested parties	For consultation
0.3	dd/mm/yy	Chris Stewart		For technical review
0.4	dd/mm/yy			For quality review
0.5	dd/mm/yy	Change Delivery	BSC Panel	For Panel decision
1.0	dd/mm/yy	BSC Panel		For Authority decision

7.2 References

Ref.	Document Title	Owner	Issue Date	Version
1	Data Transfer Catalogue – MRASCO website Data Flows	MRASCO		8.8

2	DCUSA – 5 October 2006 http://www.ofgem.gov.uk/Licensing/ElecCodes/DCUSA/Predeisq/Documents1/15650-DCUSA.pdf	Ofgem		1.0
3	P043 'Provision of Annualised Advance and Estimated Annual Consumption Data' – Modification documents including decision letter ELEXON - Modification Proposal P043	ELEXON / Ofgem	17/01/02	

APPENDIX 1: LEGAL TEXT

Draft legal text for the Proposed Modification is attached as a separate document, Attachment 1.

Draft legal text for the Alternative Modification is attached as a separate document, Attachment 2.

APPENDIX 2: PROCESS FOLLOWED

Copies of all documents referred to in the table below can be found on the BSC Website at: [ELEXON - Modification Proposal P222](#)

Date	Event
01/02/08	Modification Proposal raised by The Electricity Network Company
14/02/08	IWA presented to the Panel
21/02/08	First Assessment Procedure Modification Group meeting held
10/03/08	Second Assessment Procedure Modification Group meeting held
12/03/08	Requirements Specification issued for BSC Agent impact assessment
12/03/08	Request for Party/Party Agent impact assessments request issued
12/03/08	Request for Transmission Company analysis issued
12/03/08	Request for BSCCo impact assessment issued
27/03/08	BSC Agent impact assessment response returned
27/03/08	Party/Party Agent impact assessment responses returned
26/03/08	Transmission Company analysis returned
27/03/08	BSCCo impact assessment returned
31/03/08	Third Assessment Procedure Modification Group meeting held
03/04/08	Consultation Document published
17/04/08	Consultation responses received
21/04/08	Fourth Assessment Procedure Modification Group meeting
8/05/08	Assessment Report presented to the Panel
16/05/08	Draft Modification Report consultation issued
30/05/08	Draft Modification Report consultation responses received
12/05/08	Draft Modification Report presented to Panel

ESTIMATED COSTS OF PROGRESSING MODIFICATION PROPOSAL¹²

Meeting Cost	£1,500
Legal/ Expert Cost	£5,000
Impact Assessment Cost	£5,000
ELEXON Resource	63 man days £17,000

The Impact Assessment cost increased from £0 in the Initial Written Assessment to £5,000. This is due to an impact assessment being required from the NHHDA software provider for the Alternative Modification.

APPENDIX 3: ASSESSMENT REPORT

The P222 Assessment Report can be found on the BSC Website at: [ELEXON - Modification Proposal P222](#)

The Assessment Report includes:

- The conclusions of the Modification Group regarding the areas set out in the P222 Terms of Reference;
- Details of the Group's membership;
- The full results of the Assessment Procedure impact assessment; and
- Full copies of all responses to the Assessment Procedure consultation.

APPENDIX 4: RESULTS OF IMPACT ASSESSMENT

During the Assessment Procedure an impact assessment was undertaken in respect of all BSC systems, processes, documentation and parties. The following have been identified as impacted by P222.

a) Impact on BSC Systems and Processes

The Proposed Modification has no impact on the BSC systems or processes.

The Alternative Modification requires NHHDA to send the new flow to LDSOs on a quarterly basis. The NHHDA software will therefore need to be updated. This would be at a cost of £67,000. The NHHDA database contains all the data that is required to be sent to the LDSO in the new flow. However the database structure is designed for optimal performance of the NHHDA Aggregation Run; it is not designed for easy data reporting. Thus production of the new flow will be a major new NHHDA process.

The first stage of a new report process would extract the EAC data for all the Metering Systems in the NHHDA database into temporary tables. The second stage of the process would read the temporary tables to produce a report for each LDSO.

The EACs reported on are those that will be used in Settlement. The impact assessment from the NHHDA software provider is included in the P222 Assessment Report.

¹² Clarification of the meanings of the cost terms in this appendix can be found on the BSC Website at the following link:
http://www.elexon.co.uk/documents/Change_and_Implementation/Modifications_Process_-_Related_Documents/Clarification_of_Costs_in_Modification_Procedure_Reports.pdf

b) Impact on BSC Agent Contractual Arrangements

No impact.

c) Impact on BSC Parties and Party Agents

The Modification Group conducted an industry impact assessment for the Proposed Modification and Alternative Modification. The full set of Party responses can be found in the P222 Assessment Report.

The responses indicate costs to LDSOs, Suppliers, NHHDCs and NHHDA.

For the Proposed Modification, NHHDC would be required to send a D0019 flow to all relevant LDSOs at the same time it sends this flow to the Suppliers and NHHDA.

For the Proposed Modification, the following impacts were noted by respondents:

- **LDSOs:** Costs to implement the proposed solution ranged from £5,000 to £7,000 for those that intended to use the information. One respondent suggested a cost of £50,000 were they to process the information but also indicated they would not use the data so would not actually incur this cost. Implementation timescales generally ranged between 6 to 9 months with one respondent stating 12 months and another stating 18 months.
- **Suppliers:** Half of the Supplier respondents indicated there would be no costs over and above those that would be attributable to the NHHDC. The remaining Supplier respondents indicated that there would be some costs due to monitoring NHHDCs and from LDSO query management.
- **NHHDCs:** Costs provided by NHHDC respondents were in the range of £6,000 to £45,000. It was noted that the change may not be a particularly large one, however rigorous testing would be required to ensure existing functionality is not impacted.

Implementation timescales suggested ranged from 3 months to 18 months with 6 months being the most common response.

For the Alternative Modification, the NHHDA would be required to send a new flow to relevant LDSOs on a quarterly basis on CD.

For the Alternative Modification, the following impacts were noted by respondents based on information being sent across the DTN. Some respondents noted that savings could be made by sending the information on a CD¹³:

- **LDSOs:** One Party provided costs similar to implement the proposed solution of £5,000. One respondent indicated increased costs to be able to receive and accommodate the information across the DTN. It should be noted that these costs would not be incurred under the CD delivery method. Implementation timescales ranged from 3 to 18 months with the most common period given as 6 months. One respondent noted this was not applicable as they would discard the flow.
- **Suppliers:** Most of the Supplier respondents indicated there would be no costs over and above those that would be attributable to the NHHDA. The remaining Supplier respondents indicated that there would be some costs involved monitoring NHHDA and from LDSO query management.
- **NHHDA:** Some NHHDA indicated that the bulk of the cost would be those to change the NHHDA software and they did not indicate any additional costs. However, three respondents provided further costs. Two respondents provided costs of £12,000 and £25,000 respectively. These costs were based on the requirement to test and implement a new version of the NHHDA software. A

¹³ Note that based on these responses, the Group agreed the current Alternative solution of supplying the new flow information on a CD.

further respondent noted that there would need to be Gateway changes at a cost of £5,000. However, the Group noted that these would not be incurred if the information is provided on CD.

Implementation timescales suggested ranged from 3 months to 18 months. One respondent noted that their implementation timescale of 6 months would be once the NHHDA software had been delivered by ELEXONs service provider.

ELEXON contacted those NHHDA who provided costs based on the information being transferred across the DTN to consider whether these costs would be likely to be different if the information was provided on a CD quarterly. The respondent who provided costs of £5,000 indicated that these costs would not change. The respondent who provided a cost of £12,000 indicated that there would be some additional cost (including an ongoing cost) to put in place a process to produce the CD. The respondent who provided costs of £25,000 indicated that providing this data quarterly on CD would be a cheaper option as the only costs applicable to them would be to add the script provided by the software provider to their batch run.

d) Impact on Transmission Company

No Impact.

e) Impact on BSCCo

Area of Business	Impact of Proposed/Alternative Modification
Change Delivery	<p>Change Delivery would be responsible for the implementation of the changes to the BSC and Code Subsidiary Documents as part of a release, co-ordinated with MRASCo. ELEXON would have to manage the required updates to BSCP504 'Non Half Hourly Data Collection for SVA Metering Systems registered in SMRS', BSCP505 'Non Half Hourly Data Aggregation for SVA Metering Systems Registered in SMRS' and BSCP515 'Licensed Distribution'.</p> <p>For the Proposed Modification there will only need to be document changes but the Alternative Modification requires additional ELEXON resource to manage the testing and deployment of the NHHDA software.</p>
Service Delivery	It is anticipated that provision of D0019 or any new flows of data to LDSOs may result in assistance being required for resolution of queries.

f) Impact on Code

Code Section	Impact of Proposed/Alternative Modification
Section S	<p>Section S, paragraph 2.3.2 (i), and Annex S-2, paragraph 4.3 1 (i), of the BSC require the NHHDC to provide validated Metered Data and Metering System reports to the relevant Supplier and the Relevant LDSO.</p> <p>Section S, paragraph 2.3.2 of requires NHHDC to provide Estimated Annual Consumption data and Annualised Advance data to relevant Non Half Hourly Data Aggregator. Section S, Annex S-2, paragraph 4.3.1 (h) requires each Supplier to ensure that each of its NHHDC shall (amongst other things) provide Annualised Advance data and Estimated Annual Consumption data to the relevant NHHDA</p> <p>For the Proposed Modification, the BSC would need to make it clear that there is an obligation on the NHHDCs to provide Estimated</p>

Code Section	Impact of Proposed/Alternative Modification
	<p>Annual Consumption data and Annualised Advance data to the relevant LDSOs. It would also be necessary for the BSC to state that NHHDCs have an obligation to identify the relevant LDSOs and process the data to ensure that each LDSOs only receives data relating to that LDSO.</p> <p>For the Alternative Modification, the BSC would need to make it clear that there is an obligation on the NHHDCs to provide a new flow of data to the LDSO.</p>

A copy of the draft legal text to give effect to these changes can be found in Appendix 1.

g) Impact on Code Subsidiary Documents

Document	Impact of Proposed/Alternative Modification
BSCP504 'Non-Half Hourly Data Collection for SVA Metering Systems Registered in SMRS'	For the Proposed Modification, this BSCP would be updated to note the additional interface between NHHDCs and LDSOs for sending the D0019 flow.
BSCP505 'Non-Half Hourly Data Aggregation for SVA Metering Systems Registered in SMRS'	For the Alternative Modification, this BSCP would be updated to note the additional interface between NHHDCs and LDSOs for sending the new data flow.
PSL120 'Non-Half Hourly Data Collection'	An amendment could be made to PSL120. HOWEVER, this PSL is scheduled for removal at the June 2008 Release and has been out for impact assessment as CP1213. Therefore it is unlikely that change would be necessary.
SVA Data Catalogue Volume 1	<p>For the Proposed Modification, this data catalogue would be updated to add the LDSO to the list of recipients to the D0019.</p> <p>For the Alternative Modification, this data catalogue would be updated to add the new data flow to be sent to LDSOs.</p>

h) Impact on Core Industry Documents/System Operator-Transmission Owner Code

Document	Impact of Proposed/Alternative Modification
Master Registration Agreement products	<p>This impact was considered under the Terms of Reference. See Section 3.4.</p> <p>For the Proposed Modification, changes to the DTN and DTC would be required to indicate that the LDSO would be an additional recipient of the D0019 flow and to reconfigure the network gateways to allow the D0019 to be passed from NHHDCs to LDSOs. These changes would be progressed only if the Proposed Modification were to be approved, and the implementation timetable would need to allow an appropriate period for change.</p> <p>For the Alternative Modification, no changes to the DTN or DTC are envisaged as the information would be sent from the NHHDC to the LDSO via CD, not the DTN.</p> <p>The Impact Assessment from Electralink can be found in the P222 Assessment Report.</p>

i) Impact on Other Configurable Items

No impact.

j) Impact on BSCCo Memorandum and Articles of Association

No impact.

k) Impact on Governance and Regulatory Framework

No impact.

APPENDIX 5: REPORT PHASE CONSULTATION RESPONSES

To be attached following Report Phase consultation.