

Responses from P196

Consultation Issued 07 February 2006

Representations were received from the following parties

No	Company	File number	No BSC Parties Represented	No Non-Parties Represented
1.	IMServ Europe Ltd	P196_AR_001	0	2
2.	E.On UK	P196_AR_002	17	0
3.	Scottish Power	P196_AR_003	7	0
4.	Metering Services	P196_AR_004	0	1
5.	EDF Networks	P196_AR_005	3	0
6.	Siemens Energy Services Ltd	P196_AR_006	0	6
7.	Centrica	P196_AR_007	1	0
8.	EDF Energy	P196_AR_008	6	0
9.	Gemserv	P196_AR_009	0	1
10.	British Energy	P196_AR_010	5	0
11.	Npower Ltd	P196_AR_011	10	0
12.	BizzEnergy	P196_AR_012	1	0
13.	AccuRead Ltd	P196_AR_013	0	1
14.	Scottish and Southern	P196_AR_014	6	1

P196 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	<i>Name Jenny Green</i>
Company Name:	<i>IMServ Europe Ltd</i>
No. of BSC Parties Represented	<i>N/A</i>
Parties Represented	<i>Please list all BSC Party names of Parties responding on behalf of (including the respondent company if relevant).</i>
No. of Non BSC Parties Represented (e.g. Agents)	<i>2</i>
Non Parties represented	<i>UKDC – NHHDC and NHHDA</i>
Role of Respondent	<i>Party Agent</i>
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	<i>Yes</i>	<i>There is currently a gap in the process for these types of sites and as these represent a significant proportion of sites settling on EACs, we believe this solution is necessary and will better facilitate the BSC objectives.</i>
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline <i>Yes</i> Compared to the Proposed Modification <i>No</i>	Compared to current baseline, this will more accurately reflect the "true" consumption of these sites. Settling on a Class Average EAC until an AA is calculated will be less accurate than the "true" zero consumption.

Q	Question	Response	Rationale
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes Compared to the Proposed Modification Yes	Compared to current baseline, this will more accurately reflect the "true" consumption of these sites. We feel that the mandatory D0052 solution is a more auditable, robust and structured approach than the manual method in the original proposed Modification.
4.	Do you currently attempt to obtain warrants for Long Term Vacant sites? Please give rationale.	No	This is a Supplier Activity
5.	If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these? Please give examples.	N/A	
6.	The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification	Yes	Seven months is a reasonable timescale, as most sites should be being read at least twice a year.

Q	Question	Response	Rationale
7.	Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit check Code 02? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.	Yes	
8.	Do you believe that under the Proposed Modification, the NHHDC should be informed that a site is Long Tern Vacant via the D0052 or a manual process? Please also comment as to whether you believe the use of a flow or a manual process should remain optional and down to the Supplier? Please give rationale.	D0052 Mandatory	More robust, auditable and structured Will become too unwieldy and potentially confusing with different supplier practices if not mandatory. (Staff training, system checks, query resolution etc)
9.	If the use of the D0052 was mandated, what would be the impact on your organisation? Please give rationale.	Yes	Code changes will be needed to handle the new Measurement Class in the D0052 and potentially the D0310 rejection.
10.	Do you agree with the Modification Group that reporting is required by Suppliers to LDSOs under the Proposed Modification?	Yes	
11.	Are there any further comments or any other data on P196 that you wish to provide?	Yes	We are unclear on the CoS process and what is expected of the NHHDC. The old NHHDC will send measurement class 'V' and the effective to date in the D0152 to the new NHHDC – should the new NHHDC “ignore” this and start again with MC “A”? Please can this be looked at and explained in more detail?

Parties are encouraged to provide financial information with regard to either the costs or benefits of the Modification Proposal to support the Assessment Procedure. Where requested this information can be treated as confidential, although all information will be provided to the Authority.

Please send your responses by **17:00 on Monday 20 February 2006** to modification.consultations@elexon.co.uk and please entitle your email 'P196 **Assessment Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Modification Group.

Any queries on the content of the consultation pro-forma should be addressed to Katie Key on 020 7380 4376, email address Katie-ann.key@elexon.co.uk.

P196 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Afroze Miah
Company Name:	E.ON UK
No. of BSC Parties Represented	17
Parties Represented	E.ON UK plc (SVA), E.ON UK plc (CVA), Powergen Retail Ltd, Citigen (London) Ltd, Cottam Development Centre Ltd, Enizade Ltd, E.ON UK Drakelow Ltd, E.ON UK High Marnham Ltd, E.ON UK Ironbridge Ltd, Midlands Gas Ltd, Severn Trent Energy Ltd, TXU Europe (AHG) Ltd, TXU Europe (AHGD) Ltd, TXU Europe (AH Online) Ltd, Economy Power, Western Gas Ltd, Powergen Retail Gas (Eastern) Ltd
Role of Respondent	Supplier / Generator
Does this response contain confidential information?	No

Q	Question	Response	Rationale
1.	<p>Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives?</p> <p>Please give rationale and state objective(s).</p>	Yes	<p>The proposed modification would better facilitate the achievement of the Applicable BSC Objectives (c) & (d) for the following reasons:</p> <ul style="list-style-type: none"> • there will be an increase in the accuracy of volumes entering settlements, which is one of the key objectives of the Balancing and Settlements Code. This will also improve the problems surrounding Aged EACs as LTV sites tend to have these EACs; • the solution will result in the equitable treatment of all suppliers, which is also one of the key objectives of the BSC, as currently those suppliers with few or no LTV sites benefit from the over-statement of energy and the inequitable allocation of energy between them; • currently suppliers can only correct the over-statement of energy in settlements for LTV sites by obtaining actual meter readings. The high cost of obtaining warrants, the potentially adverse customer and media reaction of doing so and the additional administrative effort to obtain such reads, represents significant process inefficiency, costs, and impact on suppliers' reputations; • the detailed and robust analysis undertaken shows that there is significant evidence of over consumption in settlements due to LTV sites. This leads to an over statement of energy in the GSP Group. It has been confirmed that 10 of the 12 E&W GSP Groups have this over consumption and the Issue 14 Group agreed that the impact of LTV sites was one of the key factors for this over statement of energy. This over consumption in settlements benefits those suppliers with few or no LTV sites and also distribution network operators who are receiving DUoS revenue from suppliers for this non-existent consumption. The costs related to this over consumption are significantly higher than the costs of resolving the issue through the Proposed Modification. This indicates that there are no significant central or participant costs in relation to the proposed modification;

Q	Question	Response	Rationale
			<ul style="list-style-type: none"> the number of LTV sites in settlements is a potential market risk as suppliers have to pay for LTV sites where there is actually no energy being used. Market risks is a possible barrier to entry to new participants as they have less resources to resolve these issues; the proposed modification is the simpler and less complex of all the proposed and alternate solutions and the costs for implementation are also limited. This solution would ensure that all suppliers are equitably treated in settlements and DUoS charges are allocated more fairly. <p>There are two arguments used by a minority of group members who believe the proposed modification would not better facilitate the Applicable BSC Objectives (c) & (d). We would like to response to these as follows:</p> <p><i>'Modification assumes that there is an overstatement of energy in settlement due to Long Term Vacant sites.'</i> - This assumption is correct. The Issue 14 Group concluded in their report that 'there are a large number of long term vacant sites in the market leading to an over accounting of energy in Settlement – approximately 1% of the NHH market is long term vacant (unanimous)'. Note that this conclusion was <u>unanimous</u>. The Issue 14 Group believed that LTV sites would be one of the contributing factors to this over statement and the analysis in the Report attempted to put a figure on this. It should also be noted that the 1% figure is a conservative one and the reality is that more LTV sites are out there, as supported by the Halifax and Government figures and by suppliers.</p> <p><i>'Just because a site has been identified as Long Term Vacant, this does not mean that there is no energy / consumption going through the Meter.'</i> – On the face of it, this statement could be correct in some instance. However, the probability of this being the case for LTV sites would be remote considering the detailed analysis made by Elexon on the over statement of energy already mentioned. One VASMG member had also raised the related issue of the possible theft of energy at LTV sites. The current industry project on theft (which is due to end soon) has concluded that:</p>

Q	Question	Response	Rationale
			<ul style="list-style-type: none"> • there is no documentary evidence of a theft issue around LTV sites; • theft is, in fact, more of an issue at sites that are occupied and where customers are illegally abstracting. <p>This confirms that the theft issue is a red herring. Finally, the proposed solution will be using very strict and robust criteria to decide whether a site is LTV and this stringency will continue after a site has been declared as such to prevent misuse of the solution. Furthermore the solution will be fully <u>auditable</u> and there will be a requirement to audit its use by suppliers and their DCs. All these requirements and controls should give comfort to those who may fear misuse of the proposed solution.</p> <p><i>'Suppliers should obtain actual Meter readings to ensure that the energy allocated to them in Settlements is correct. If a site is not in use then it should be de-energised to ensure that no energy can pass through the Meter as opposed to assuming that no energy is passing through the Meter because the site appears to be Long Term Vacant.'</i> – Attempting to obtain actual meter reads for LTV sites is not as easy as it sounds. The work of the Issue 14 Group has indicated that obtaining warrants, where this has been attempted, is a very difficult task. It is also costly. We also do not understand why a supplier would need to obtain a warrant to basically confirm that a site is LTV and no consumption has occurred, which is what such an approach would result in. Why waste valuable time and money to do this? These costs will then have to be recouped from customers. Is this fair for them?</p> <p>Furthermore, de-energising a site is not always practicable or possible. Elexon have noted in one of their papers for the Issue 14 Group that DNOs are reluctant to de-energise. This would be for a number of reasons, including fear of losing DUoS revenue, not being sure when a site will need to be re-energised and for safety reasons. It should finally be noted that a supplier would still need to obtain warrants to de-energise LTV sites!</p> <p>There is also an important safety angle to de-energising a site that is worth considering. Once a site has been de-energised what incentive does a supplier have to continue visiting it? They would probably keep their visits to the bear minimum as required by LC17 i.e. visit a site once every two years. This would not help identify any sites that may be experiencing</p>

Q	Question	Response	Rationale
			illegal abstraction (assuming this happens in any significant way, which currently cannot be confirmed by the Theft Project) or if there are any safety-related issues with these meters. All the solutions outlined in this modification will oblige suppliers to continue visiting sites that are deemed to be LTV to monitor re-occupation, identify possible theft and ensure the safety of meters is managed in a sensible way. These obligations would disappear once a site is de-energised.
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	<p>Compared to the current baseline Yes</p> <p>Compared to the Proposed Modification No</p>	<p>Most of our comments outlined in Question 1 are also relevant for this question. This option would have the same broad result as the proposed modification but would, however, lead to an increase in costs due to the frequent processing that would be required during the lifetime of the LTV period.</p> <p>This option also introduces a degree of uncertainty into the market as a positive EAC may be associated with the meter at one point, which then becomes a zero AA later on. This means that suppliers would find it very difficult to forecast the volumes of energy that they are using at RF.</p>
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	<p>Compared to the current baseline Yes</p> <p>Compared to the Proposed Modification No</p>	<p>This solution would be our second choice after the Proposed Modification. Most of our comments outlined for Question 1 are also relevant for this question. Again, this option would have the same broad result as the proposed modification but would, however, lead to an increase in costs due to the complexity of the solution and the costs of changing Central and BSC Parties' and Agents' systems.</p>

Q	Question	Response	Rationale
4.	Do you currently attempt to obtain warrants for Long Term Vacant sites? Please give rationale.	No	<p>We do not currently attempt to obtain warrants to read the meters of LTV sites because we do not see it as an optimum use of our resources to confirm (and this is what it really only is) that these sites are LTV and have not had any consumption <i>which we would already be aware of from other sources</i>. Why should we expend significant amounts of resources and money to carry out an exercise that we already know the answer to, namely, that these sites are not consuming energy?</p> <p>It should also be noted that going down this process is very time consuming, expensive, and has potentially negative customer impact which could lead to bad press, while at the same time burdening the magistrates with unnecessary work. They would be potentially dealing with 100,000s of these warrants.</p> <p>We believe the proposed modification is the best way to manage such LTV sites in an efficient and cost effective manner.</p>
5.	If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these? Please give examples.	N /A	The Issue 15 Report has outlined the generally bad experience of some suppliers when they have attempted to obtain warrants for this activity.
6.	The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification	No	<p>Our preference is for 4 month timescale as it leaves less opportunity for possible illegal abstraction and for DCs to miss re-occupation of a site. This would ensure settlements is not compromised by any consumption that may have been 'missed' for the proposed period of time.</p> <p>We understand the rationale for the seven month site re-visit period as it would fit better with some suppliers meter reading cycles. However, all the proposed solutions are optional and would therefore not impact any suppliers' commercial arrangements. If they wanted to take advantage of the solutions then they should be required to change their meter reading cycle for LTV sites to ensure accuracy of settlements for the reasons stated above.</p>

Q	Question	Response	Rationale
7.	<p>Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit Check Code 02?</p> <p>Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.</p>	No	<p>We agree with the COT reading being used as the start date for a LTV site but disagree that it should be within 7 months of the date of the first D0004. Our rationale is the same as for why we prefer the meter read re-visit period to be 4 months rather than 7 months.</p> <p>Our preferred timescale therefore would be 4 months to ensure consistency with question 6.</p> <p>Again, we understand the rationale for the seven month period as it would fit better with some suppliers meter reading cycles. However, all the proposed solutions are optional and would therefore not impact any suppliers' commercial arrangements. If they wanted to take advantage of the solutions then they should be willing to use the start date for a LTV site if it is within 4 months. This would help with the accuracy of settlements for the reasons stated above.</p>
8.	<p>Do you believe that under the Proposed Modification, the NHHDC should be informed that a site is Long Term Vacant via the D0052 or a manual process? Please also comment as to whether you believe the use of a flow or a manual process should remain optional and down to the Supplier?</p> <p>Please give rationale.</p>	<p>D0052</p> <p>Mandatory</p>	<p>Our preference is for keeping all the flows within the DTN. Manual processes are subject to error. This is the best way forward as it ensures a consistent approach across the industry. If the D052 flow can be easily amended to reflect the LTV sites' status then it should be used. If a supplier wishes to take advantage of the LTV process they should use an easily auditable process and DCs should not have to deal with different processes from different suppliers, complicating the process. Anything different would cause confusion and would be an audit nightmare. An example of this is the Unmetered Supplies process.</p> <p>It should be Mandatory to use the D0052 flow (if this is the preferred optimum solution) in order to avoid the costs and uncertainties associated with operating different processes for different suppliers.</p>
9.	<p>If the use of the D0052 was mandated, what would be the impact on your organisation?</p> <p>Please give rationale.</p>		<p>There would be some process changes and IS support requirements but these would be easily manageable.</p>

Q	Question	Response	Rationale
10.	Do you agree with the Modification Group that reporting is required by Suppliers to LDSOs under the Proposed Modification?	No	We do not see the value of this. There would also be an administrative and financial burden to maintain the report and then ensuring it gets sent to LDSOs on a regular basis.
11.	Are there any further comments or any other data on P196 that you wish to provide?	No	

Parties are encouraged to provide financial information with regard to either the costs or benefits of the Modification Proposal to support the Assessment Procedure. Where requested this information can be treated as confidential, although all information will be provided to the Authority.

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P196 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Timothy Roberts
Company Name:	ScottishPower
No. of BSC Parties Represented	7
Parties Represented	Please list all BSC Party names of Parties responding on behalf of (including the respondent company if relevant). Scottish Power UK plc, ScottishPower Energy Management Ltd, ScottishPower Generation Ltd, ScottishPower Energy Retail Ltd, SP Transmission Ltd, SP Manweb plc, SP Distribution Ltd
No. of Non BSC Parties Represented (e.g. Agents)	
Non Parties represented	Please list all non Parties responding on behalf of (including the respondent company if relevant).
Role of Respondent	(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / Distributors / other – please state ¹) Supplier / Generator / Trader / Consolidator / Exemptable Generator/Distributor
Does this response contain confidential information?	Yes / No

Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Yes	The proposal will address a significant issue regarding Suppliers' NHH Settlement submissions, namely correcting the overstatement of energy in Settlements due to vacant sites. By their very nature, Long Term Vacant (LTV) premises are difficult to gain access to and Suppliers are very often unable to obtain meter readings for them. In these circumstances Suppliers may apply to the courts for a warrant to gain access. However, where the court is not minded to grant such a warrant, the Supplier will be left with no choice but to report this apparent 'consumption' on its Supplier Purchase Matrix.

¹ Delete as appropriate – please do not use knockout, this is to make it easier to analyse the responses

Q	Question	Response	Rationale
			<p>This overstatement of consumption is then manifest as an error in Settlements, where it distorts the Annual Demand Ratios and Suppliers' Settlement Liabilities etc.</p> <p>We therefore agree that the Proposed Modification, P196, better facilitates the achievement of applicable BSC objective: -</p> <ul style="list-style-type: none"> • (c), in that the proposal will ensure greater accuracy and therefore greater equitability in Settlements. This will, in turn, encourage competition through increased confidence in the trading arrangements. Furthermore, analysis suggests that 1st tier Suppliers have a greatly disproportionate share of long term vacant sites within their 'host' GSP Groups. Because, by their nature, vacant sites tend not to change Supplier, these Suppliers are unfairly subjected to greater exposure to this problem. The proposal will end this discriminatory situation, thus ensuring that competition is given effect on a more 'level playing field'. • (d) because the proposal will radically improve the accuracy of Settlements and reduce the Settlement error, the proposal will serve to improve the overall efficiency of the BSC and the trading arrangements. <p>However, are concerned that this process may not be suitably robust to Change of Supplier, does not provide sufficient visibility to the market and may not offer satisfactory audit controls. Therefore, although better than the current baseline, we do not believe that Proposed Modification P196 is better than the Alternative Modification Option 2.</p>

Q	Question	Response	Rationale
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes Compared to the Proposed Modification No	For the reason stated in our response to Q1, we agree that the Alternative Modification Option 1 better facilitates the achievement of applicable BSC objectives C and D. However, we do not believe that this process is suitably robust to Change of Supplier and also believe it might actually lead to greater uncertainty in the accuracy of Settlements due to the potential volatility of data up until RF. Therefore, although better than the current baseline, we do not believe that Alternative Modification Option 1 is better than either the Proposed Modification P196, or the Alternative Modification Option 2 and is the least preferred of the three options
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes Compared to the Proposed Modification Yes	For the reason stated in our response to Q1, we agree that the Alternative Modification Option 2 better facilitates the achievement of applicable BSC objectives C and D. We therefore agree that the Proposed Modification, P196, better facilitates the achievement of applicable BSC objectives C and D. We also believe that Alternative Modification Option 2 offers the following benefits that are not available from either P196 or the Alternative Modification Option 1: - <ul style="list-style-type: none"> • It is seamless in that it does not require the revision of consumption estimates • If required, it may also be seamlessly reversed • It offers greater automation • It is fully visible to all stakeholders and is, therefore, fully auditable • It may be readily policed • It is robust to Change of Supplier • Should a meter reading be obtained , then this will still be

Q	Question	Response	Rationale
			<p>reported to Settlements and a D0095 exception report produced</p> <p>Therefore it is our view that Alternative Modification Option 2 will better facilitate the applicable objectives than either of the Modification Proposal P196 or Alternative Modification Option 1.</p>
4.	<p>Do you currently attempt to obtain warrants for Long Term Vacant sites?</p> <p>Please give rationale.</p>	No	<p>Although we did pursue warrants until fairly recently, empirically the strategy proved inefficient and uneconomical.</p> <p>As an alternative, we committed considerable resources to identifying and engaging with the many public sector bodies that are seemingly responsible for the majority of the vacant premises in our supply portfolio. As noted in the assessment consultation however, this has been a largely unproductive exercise with minimal co-operation from the parties concerned.</p> <p>Access warrants have long been associated with debt recovery and a deal of political pressure has been brought to bear in recent years to ensure that courts are reluctant to issue them. Therefore, it is likely that in undertaking this exercise and identifying responsible parties, we have increased the likelihood that the courts will construe that alternative recourse is available to us and so be reluctant to grant warrants.</p> <p>Even if warrants were more widely obtainable, we would suggest that the costs cannot be justified when they are being incurred merely to confirm that sites are not consuming energy.</p>

Q	Question	Response	Rationale
5.	If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these? Please give examples.	N/A but see comment	<p>In our experience, there are marked differences in the approach taken by the courts in granting warrants where there is no specific safety issue. In particular, Scottish courts appear less eager to grant warrants under these circumstances, making the exercise both costly and fruitless.</p> <p>It should also be noted that, even where a warrant is obtained to de-energise, the Supply Licence still obligates a site visit within two years. Therefore, another warrant needs to be obtained at least once every two years following de-energisation.</p> <p>A progressive process leading towards permanent disconnection (possibly after a 2 year LTV period) would improve this position. In this case we would argue that the Alternative Modification Option 2 would facilitate this process and, indeed, allow for a degree of automation. Of course this would not form part of the Modification, and such a process would remain entirely at the discretion of the Supplier and the relevant Distributor.</p>
6.	The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification	Yes	We agree that a site visit should take place at least once every seven months to ensure that the premises have not become re-occupied and that consumption has not resumed. These timescales give a degree of flexibility to different Suppliers' read cycles, but without compromising the resolution of issues i.e. making a determination whether a site should remain classified as LTV within the reconciliation window.

Q	Question	Response	Rationale
7.	Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit check Code 02? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.	Yes	It would be very unlikely for premises to be re-occupied then vacated again within this timeframe and without the Supplier's knowledge.
8.	Do you believe that under the Proposed Modification, the NHHDC should be informed that a site is Long Tern Vacant via the D0052 or a manual process? Please also comment as to whether you believe the use of a flow or a manual process should remain optional and down to the Supplier? Please give rationale.	D0052 Mandatory	Although we believe the decision to use the processes proposed by P196 and the suggested Alternatives should remain optional for Suppliers, we believe that where a Supplier chooses to use the facility, it should be obliged to follow the process in all respects and with particular regard to those relating to reporting requirements. However, the use of the D0052 should remain as electronic or as otherwise agreed. This would be consistent with the use of the flow in other contexts.
9.	If the use of the D0052 was mandated, what would be the impact on your organisation? Please give rationale.	Yes	This would require new processes for both our Supply and NHHDC businesses, with commensurate system enhancements where electronic data flows were anticipated.

Q	Question	Response	Rationale
10.	Do you agree with the Modification Group that reporting is required by Suppliers to LDSOs under the Proposed Modification?	Yes	<p>It would seem reasonable to advise the relevant LDSO and MPAS where a site is determined to be Long Term Vacant.</p> <p>However, with the Proposed Modification, this is unlikely to represent a contemporary picture of the position at the site; rather it would merely be a snapshot depicting the position at the time that such determination was made. The same would be true of Alternative Modification Option 1.</p> <p>However, it is a cornerstone of Alternative Modification Option 2 that the MPAS will be informed, using existing industry data flows and mechanisms, of any subsequent updates. Therefore, the LDSO is being given full visibility of which sites are being treated as LTV.</p>
11.	Are there any further comments or any other data on P196 that you wish to provide?	Yes	<p>The Issue 14 Group concluded that the treatment of Long Term Vacant Sites was leading to inequitable Settlements and distorting Supplier performance and increasing the level of error in the market.</p> <p>Given the present concerns about the qualified audit and the level of Settlement error, we consider the current position unacceptable.</p> <p>While it is clear that these proposals will not address all of the issues that might lead to Supplier exaggerating their consumption (we certainly do not consider them in any way to be a panacea) it is clear that this issue presents a very significant contributing factor. It is, therefore, our view that by implementing these proposals, and addressing this particular issue, the industry will be taking a major step forward.</p>

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Any queries on the content of the consultation pro-forma should be addressed to Katie Key on 020 7380 4376, email address Katie-ann.key@elexon.co.uk.

P196 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	<i>Name Alastair Barnsley</i>
Company Name:	<i>Metering Services</i>
No. of BSC Parties Represented	
Parties Represented	<i>Please list all BSC Party names of Parties responding on behalf of (including the respondent company if relevant).</i>
No. of Non BSC Parties Represented (e.g. Agents)	<i>1</i>
Non Parties represented	<i>Metering Services</i>
Role of Respondent	<i>Party Agent</i>
Does this response contain confidential information?	<i>Yes / No</i>

Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Yes	The proposed modification would increase the accuracy of volumes entered into settlements at little associated cost This will address the imbalance in the distribution of long term vacant properties. Objectives (c) & (d)
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes Compared to the Proposed Modification No	This option would have the same overall outcome as the proposed modification but would lead to increased costs due to the regular processing required during the lifetime of the LTV episode.

Q	Question	Response	Rationale
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes Compared to the Proposed Modification No	This option would be our second choice as it will achieve the goals outlined in question 1 with moderate associated implementation costs. It would have the benefit of simplifying the identification of sites with a current LTV status should this be necessary.
4.	Do you currently attempt to obtain warrants for Long Term Vacant sites? Please give rationale.	No	Metering Services do not apply for warrants in its role as a Data Collector.
5.	If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these? Please give examples.	N/A	
6.	The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification	Neutral	The length of the review period has little impact on Metering Services. However we observe that a 7 month review period may not be appropriate for sites on biannual or annual read patterns.

Q	Question	Response	Rationale
7.	Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit check Code 02? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.	Yes	Metering Services would support the use of a change of tenancy as the start date. It is our belief that the number of occasions where a new tenant will take up occupation and vacate the premises within a 7 month timescale will be minimal.
8.	Do you believe that under the Proposed Modification, the NHHDC should be informed that a site is Long Tern Vacant via the D0052 or a manual process? Please also comment as to whether you believe the use of a flow or a manual process should remain optional and down to the Supplier? Please give rationale.	D0052 Mandatory	Metering Services believe that the NHHDC should be informed that a site is LTV Via a D0052 flow rather than by a manual process as the use of the D0052 will remove the need for manual intervention with its associated risks. Metering Services that if the LTV status is to be invoked it should be mandatory to use the D0052 Flow in order to avoid the costs and uncertainties associated with operating multiple different processes for multiple suppliers.
9.	If the use of the D0052 was mandated, what would be the impact on your organisation? Please give rationale.		If the use of the D0052 flow was mandatory the impact on Metering services would be limited to the increase in batch processing associated with the additional D0052 Flows.
10.	Do you agree with the Modification Group that reporting is required by Suppliers to LDSOs under the Proposed Modification?	Yes	Metering Services believe that the reporting of LTV sites by suppliers to LDSOs would ensure consistency of data held within the industry.
11.	Are there any further comments or any other data on P196 that you wish to provide?	No	

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Any queries on the content of the consultation pro-forma should be addressed to Katie Key on 020 7380 4376, email address Katie-ann.key@elexon.co.uk.

P196 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	<i>Hazel Cotman</i>
Company Name:	<i>EDF Energy Networks</i>
No. of BSC Parties Represented	<i>3</i>
Parties Represented	<i>EDF Energy Networks (EPN), (LPN) and (SPN) plc</i>
No. of Non BSC Parties Represented (e.g. Agents)	<i>0</i>
Non Parties represented	<i>Please list all non Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent	<i>Distributors</i>
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
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Q	Question	Response	Rationale
1.	<p>Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives?</p> <p>Please give rationale and state objective(s).</p>	No	<p>Modification creates potential inconsistencies between Suppliers. Those Suppliers taking part in the scheme gain an unfair competitive advantage for the followings reasons:</p> <ul style="list-style-type: none"> Suppliers operating this process benefit from a zero "EAC" when there will be consumption at identified sites (apparent vacant premise, supply energised has a significantly increase risk of usage than a supply that is de-energised) Suppliers operating this process are more likely to make a commercial decision to leave the supply on when advised of vacation by an outgoing customer and take advantage of zero EAC rather than to better ensure zero usage by carrying out a de-energisation. Suppliers operating the process benefit from undetected consumption reducing their Settlements & DUoS bill once outside of 14 months settlements timeframe. There is an overall greater risk to settlements & DUoS through this process including theft through leaving supply on at Empty premises, especially where premises are not boarded up The process is potentially open to abuse due to lack of visibility to the industry as a whole. Issues in regards to incorrect Traded & energisation status, indicates this will be an issue. <p>The current process incentivises all Suppliers to obtain meter readings and ensures a level playing field for all suppliers. This modification if accepted creates a 2 tier playing field and more opportunity for gaming.</p>

Q	Question	Response	Rationale
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline No Compared to the Proposed Modification Yes	Same generic issues as zero EACS. Zero "AA" is marginally better than zero "EAC" due to the danger of the zero "EAC" continuing when there is consumption
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline No Compared to the Proposed Modification Yes	Same generic issues as zero "EACS" or Zero "AA" Is better than the proposed modification and alternative modification 1 as is transparent to all market parties. Is also better in reporting terms as will negate the need for Supplier reporting to LDSO's whose own requirements will probably vary.
4.	Do you currently attempt to obtain warrants for Long Term Vacant sites? Please give rationale.	No	
5.	If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these? Please give examples.	N/A	

Q	Question	Response	Rationale
6.	<p>The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale?</p> <p>Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification</p>	Neutral	
7.	<p>Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit check Code 02?</p> <p>Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.</p>	Neutral	
8.	<p>Do you believe that under the Proposed Modification, the NHHDC should be informed that a site is Long Tern Vacant via the D0052 or a manual process? Please also comment as to whether you believe the use of a flow or a manual process should remain optional and down to the Supplier?</p> <p>Please give rationale.</p>	<p>D0052</p> <p>Mandatory</p>	
9.	<p>If the use of the D0052 was mandated, what would be the impact on your organisation?</p> <p>Please give rationale.</p>	None	While there is no direct impact on LDSO a single mechanism would be better for audit purposes and the automated route is probably easier to implement consistently.

Q	Question	Response	Rationale
10.	Do you agree with the Modification Group that reporting is required by Suppliers to LDSOs under the Proposed Modification?	Yes	Reporting is required as the effects on settlements & DUoS is similar to de-energisation. The ability to check the Suppliers view that a zero EAC or AA is justified is particularly relevant given issues over de-energised MPANs. This would not be a requirement of alternative modification 2 which would be as transparent to LDSO's as a de-energised MPAN
11.	Are there any further comments or any other data on P196 that you wish to provide?	Yes	<ul style="list-style-type: none"> We are concerned that Suppliers using the process may claim that this fulfils their Licence condition 17 to read and inspect meters every 2 years (allowing for reasonable endeavours). We consider the Licence obligations goes significantly beyond simply obtaining D004 code 2 every 7 months and therefore consider there should be specific audit requirements to cover this. Whilst we are opposed in principle to P196 for the avoidance of doubts should the modification be supported by the Mods Group we see option 2 as an alternative being the least problematic

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P196 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	<i>Paul McClennan</i>
Company Name:	<i>Siemens Energy Services Ltd</i>
No. of BSC Parties Represented	<i>N/a</i>
Parties Represented	<i>N/a</i>
No. of Non BSC Parties Represented (e.g. Agents)	<i>6</i>
Non Parties represented	<i>NHHDC, NHHMO, NHHDA, HHDA, HHDC, HHMO</i>
Role of Respondent	<i>Party Agent</i>
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Yes	As it improves settlement data quality by removing consumption currently being allocated to vacant sites. Applicable BSC Objective (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes Compared to the Proposed Modification No	Yes No. Option 1 requires additional work for no benefit because of the need to repeatedly setting AA to zero for vacant sites.

Q	Question	Response	Rationale
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline No Compared to the Proposed Modification No	No No
4.	Do you currently attempt to obtain warrants for Long Term Vacant sites? Please give rationale.	No	
5.	If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these? Please give examples.	N/A	
6.	The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification	No	Disagree as not all sites will be on a quarterly / six monthly read cycle, 12 monthly would fulfil all the necessary requirements and be less onerous.

Q	Question	Response	Rationale
7.	Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit check Code 02? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.	Yes	
8.	Do you believe that under the Proposed Modification, the NHHDC should be informed that a site is Long Tern Vacant via the D0052 or a manual process? Please also comment as to whether you believe the use of a flow or a manual process should remain optional and down to the Supplier? Please give rationale.	D0052 Mandatory	D0052 Rationale – use of D0052 (or new flow) will provide an audit trail. If this is optional, then there is greater scope for error.
9.	If the use of the D0052 was mandated, what would be the impact on your organisation? Please give rationale.	Yes	Increase in number of D0052 flows received and exceptions. In addition to this there would be further changes to the D0052 process, which has recently undergone significant changes.
10.	Do you agree with the Modification Group that reporting is required by Suppliers to LDSOs under the Proposed Modification?	N/A	Not applicable as outside of NHHDC scope.
11.	Are there any further comments or any other data on P196 that you wish to provide?	No	

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P196 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

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Respondent:	<i>Claire Walsh</i>
Company Name:	
No. of BSC Parties Represented	
Parties Represented	<i>Please list all BSC Party names of Parties responding on behalf of (including the respondent company if relevant).</i>
No. of Non BSC Parties Represented (e.g. Agents)	
Non Parties represented	<i>Please list all non Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent	<i>Supplier</i>
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	No	P196 does not better facilitate objectives c and d. This Modification has been progressed with a flawed assumption that sites which appear to be vacant are not consuming Electricity. We have serious reservations about basing any Modification on an unsubstantiated assumption. The proposed Modification and it's alternative both result in estimated consumption for these sites being excluded from Settlement which further degrades the accuracy of Settlement. There is a current industry solution for sites in this state (obtain access to these sites and either read or de-energise the meter). This is the only way to identify actual consumption. This solution requires investment by the Supplier in terms of potential warrant costs. However this cost is far outweighed by the longer term benefits of accurate Settlement costs - section 3.9.4 highlights a GB wide one-off cost of £11.8m to warrant and de-energise long term vacant sites coupled with an annual saving of £22.4m in associated energy/DuoS/Transmission costs.

Q	Question	Response	Rationale
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline No Compared to the Proposed Modification No	See response to Q1.
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline No Compared to the Proposed Modification No	See response to Q1.
4.	Do you currently attempt to obtain warrants for Long Term Vacant sites? Please give rationale.	Yes	

Q	Question	Response	Rationale
5.	<p>If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these?</p> <p>Please give examples.</p>	No	<p>For sites which are known to be long term vacant and where an Electricity supply is no longer required we can obtain a cessation warrant through the courts, this is only undertaken after other avenues to obtain access to de-energise the meter have been exhausted. With specific regard to the issues noted in the consultation paper within Scotland, we have worked very closely with the Scottish Exec & District Courts Association and supported the development of a best practise document which the Scottish Exec & District Courts Association pro-actively provide to Utilities within Scotland. In fact following the development of this guidance we have been successful with all of our warrant applications in Scotland with the exception of 1 isolated court.</p> <p>We cannot accept that the issues associated with access and warrants of entry cannot be overcome by market participants either individually or collectively.</p>
6.	<p>The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale?</p> <p>Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification</p>	No	<p>We are not in agreement with the Modification or its alternative therefore we are not supportive of the proposed 7 month SVCC solution. In itself the proposed identification of a LTV appears weak, lacking rigour and incomplete.</p>

Q	Question	Response	Rationale
	Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit check Code 02? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.	No	We are not in agreement with the Modification or its alternative therefore we are not supportive of the use of the CoT indicator. We also have concerns about the proposed manual process for when a LTV goes through a CoS and the emergent deemed CoS reading as it is not a workable proposal.
7.	Do you believe that under the Proposed Modification, the NHHDC should be informed that a site is Long Tern Vacant via the D0052 or a manual process? Please also comment as to whether you believe the use of a flow or a manual process should remain optional and down to the Supplier? Please give rationale.	Neither	We are not in agreement with the Modification or its alternative therefore we are not supportive of the requirement to inform the NHHDC of a LTV site.
8.	If the use of the D0052 was mandated, what would be the impact on your organisation? Please give rationale.	Yes	This proposal introduces significant impacts to systems, business rules and internal processes with associated significant costs due to the resultant system changes. These impacts would be experienced across all Suppliers and Data Collectors.
9.	Do you agree with the Modification Group that reporting is required by Suppliers to LDSOs under the Proposed Modification?	No	From the information provided to the Modification group we question what the LDSO would do with this information. We await the LDSO feedback to this consultation.

Q	Question	Response	Rationale
10.	Are there any further comments or any other data on P196 that you wish to provide?	Yes	<p>Throughout the life span of Issue 14 and P197 we have raised the following key concerns with this Modification:</p> <ul style="list-style-type: none"> ▪ This Modification emerged from Issue 14. The Issue 14 Report was clear in stating that “some members of the Group believed that a Modification should not be raised and that existing processes should be enhanced”. We are disappointed that the “broken” elements of the current access-warrant-de-energise process were not identified and progressed in the first instance before a Modification was raised to remove the energy from Settlement. ▪ Vacancy is not specific to the Electricity market and any solution progression must be from a dual fuel basis. ▪ There needed to have been a clear interaction with the ERA/ENA Theft work stream and understanding as to whether vacant sites are impacting and exacerbating the volume of stolen electricity. This did not happen and was deemed to be of no-impact. ▪ Suppliers have a license obligation to “use all reasonable endeavours to ensure that in at least one every period of two years.....it inspects any NHH meter”. ▪ This Modification and its alternative does not include a pre-requisite that access the property via a warrant should be physically attempted to de-energise the meter to curtail further consumption uncertainty at the meter BEFORE consumption is simply removed from Settlement. Verbal comments were made at the VASMG that some Parties had made commercial decisions not to utilise the current process (inclusive of warrants) due to the costs. The BSC is not a workaround for commercial processes and the integrity of Settlements must be maintained on an enduring basis. ▪ This Modification and its alternative remove the natural incentive on Suppliers to access potential vacant sites and accurately consumption in Settlement.

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P196 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:		
Company Name:	EDF Energy	
No. of BSC Parties Represented	6	
Parties Represented	EDF Energy (Sutton Bridge Power); EDF Energy (Cottam Power) Ltd; EDF Energy (West Burton Power) Ltd; EDF Energy plc; London Energy plc; Seeboard Energy Limited	
No. of Non BSC Parties Represented (e.g. Agents)	0	
Non Parties represented	N/A.	
Role of Respondent	Supplier/Generator/ Trader	
Does this response contain confidential information?	No	

Q	Question	Response	Rationale
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Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	No	Modification is not equitable in its treatment of Suppliers. It is only available to NHH sites that have a meter reading cycle of less than 6 months. For Suppliers whose portfolio contains NHH sites that have longer read cycles then this modification specifically excludes those sites from inclusion under this modification. This means that portfolio could not benefit from these changes and would lead to inequitable allocation of energy. This longer DC read cycle is offered by EDF Energy as a competitive market offering to customers. Modification states that Suppliers would need to amend their read cycles to take advantage of this solution. However, this would impact on commercial offering we can provide to this portfolio of customers leading to additional costs. We feel that this offering enables us to provide our customers with a more competitive contract but under this modification we would be unable to treat any of these customers as long-term vacant. This could lead to us paying a disproportionate cost in terms of paying for any energy that has to be allocated to all Suppliers. With this in mind we feel that this current solution would have a detrimental effect on competition and therefore not better facilitate BSC objectives, particularly objective (c).
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline No Compared to the Proposed Modification No	Due to the bias in selection criteria for long-term vacant sites none of these solutions can better facilitate BSC objective (c) and as we note would have a potential detrimental effect on our operations.

Q	Question	Response	Rationale
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline No Compared to the Proposed Modification No	Due to the bias in selection criteria for long-term vacant sites none of these solutions can better facilitate BSC objective (c) and as we note would have a potential detrimental effect on our operations.
4.	Do you currently attempt to obtain warrants for Long Term Vacant sites? Please give rationale.	No	We are not aware of any attempts to obtain warrants.
5.	If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these? Please give examples.	N/A	
6.	The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification	No	We have a fundamental issue with this modification in that criteria for identification is totally reliant on D0004s. It is biased against any Supplier that has a portfolio of NHH sites that include customers whose read cycle is in excess of 6 months. The criteria as a whole needs to be amended to reflect these types of portfolio differences.

Q	Question	Response	Rationale
7.	Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit check Code 02? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.	No	What would happen if between the change of tenancy reading and a D0004 with a site visit check code of 02 another D0004 has been received with a site visit check code not equal to 02. In this case surely the change of tenancy reading cannot be considered at all as the existence of a D0004 without a site visit check code of 02 removes that site from being considered as a vacant property.
8.	Do you believe that under the Proposed Modification, the NHHDC should be informed that a site is Long Tern Vacant via the D0052 or a manual process? Please also comment as to whether you believe the use of a flow or a manual process should remain optional and down to the Supplier? Please give rationale.	D0052 / Manual Mandatory / optional	We would prefer a single mechanism to be agreed by industry. We would not want to make system changes that have to operate differently for DCs To enable a full audit system we feel that use of a dataflow would be easiest.
9.	If the use of the D0052 was mandated, what would be the impact on your organisation? Please give rationale.	Yes	System and process changes would be required to enable D0052 to be used in this manner. However, we do not feel that these system changes are too excessive as these relate to ensuring a zero EAC value can be populated. What we would need to investigate and ensure does not cause a problem is the potential rejection of a D0052 on a D0310. This could be a problem as how would a DC be able to differentiate between a valid zero EAC on a D0052 and one entered in error by a Supplier. We think this is where a new measurement class would aid in this process. However, this would require additional changes that we have not had time to even estimate in terms of costs.
10.	Do you agree with the Modification Group that reporting is required by Suppliers to LDSOs under the Proposed Modification?	Yes / No	We would defer any decision on this to our networks colleagues. If they have a need for such reporting then this will need to be provided. If this is the case we again would see use of measurement class and updates then to SMRS as being sufficient for LDSOs.

Q	Question	Response	Rationale
11.	Are there any further comments or any other data on P196 that you wish to provide?	Yes	Incidence of long-term vacant HH sites is much rarer than NHH sites but does still occur. In terms of settlement errors these could be much higher and potentially passed back to NHH market by impacting on correction factors.

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Please send your responses by **17:00 on Monday 20 February 2006** to modification.consultations@elexon.co.uk and please entitle your email 'P196 **Assessment Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Modification Group.

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P196 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	
Company Name:	<i>Gemserv</i>
No. of BSC Parties Represented	<i>None</i>
Parties Represented	<i>N/A</i>
No. of Non BSC Parties Represented (e.g. Agents)	<i>One</i>
Non Parties represented	
Role of Respondent	<i>MRA Service Company</i>
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Yes / No	No comment
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes / No Compared to the Proposed Modification Yes / No	No comment

Q	Question	Response	Rationale
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes / No Compared to the Proposed Modification Yes / No	No comment on the applicable BSC Objectives As a comment on the use of Measurement Class, this data item is currently defined as a 'Unique identifier for the measurement classification of Metering System. Measurement Class determines how the power values for a Metering System are to be aggregated'. The current valid set encompass HH and NHH classifications only. Since the status 'long-term vacant' would not revise the measurement classification or aggregation of power values for the Metering System, it would not seem that a new value under this data item would best-fit as an identifier for long term sites. Also, the N/S would 'inherit' this Measurement Class on a CoS event if they have not entered any other value for that Data Item in the D0055 – whereas the proposal is that the LTV status does not pass through on a CoS event? If a new Measurement Class was defined, this may have ramifications on MPAS Validation Rules, since the BSC Validation requirements specify that MPAS will check that the appropriate HH or NHH agents are appointed for a Metering Point. It is not clear how a Measurement Class for LTV status would fit with those rules.
4.	Do you currently attempt to obtain warrants for Long Term Vacant sites? Please give rationale.	Yes / No	N/A
5.	If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these? Please give examples.	Yes / No / N/A	N/A

Q	Question	Response	Rationale
6.	The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification	Yes / No	N/A
7.	Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit check Code 02? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.	Yes / No	N/A
8.	Do you believe that under the Proposed Modification, the NHHDC should be informed that a site is Long Tern Vacant via the D0052 or a manual process? Please also comment as to whether you believe the use of a flow or a manual process should remain optional and down to the Supplier? Please give rationale.	D0052 / Manual Mandatory / optional	No option
9.	If the use of the D0052 was mandated, what would be the impact on your organisation? Please give rationale.	Yes / No	N/A

Q	Question	Response	Rationale
10.	Do you agree with the Modification Group that reporting is required by Suppliers to LDSOs under the Proposed Modification?	Yes / No	This would be in keeping with the principles for de-energised sites under the Energisation Project. How is this reporting to be undertaken – e.g. under a BSCP or MRA obligation?
11.	Are there any further comments or any other data on P196 that you wish to provide?	Yes / No	<p>At present the potential solution outlined in P196 will have no impact on any of the MRA products as data items/flows are not being changed. If this position were to be changed – or if the reporting requirement were to be extended to the MRA - there could be consequential/associated changes and implementation lead times would need to be reviewed.</p> <p>Gemserv would also like to highlight the new D0311 dataflow “Notification of Old Supplier Information”, sent by the old Supplier to the new Supplier on a CoS will contain the EAC value, which should be populated from the info from the old Supplier’s DC in the D0019. Under the current modification proposal, a CoS would render a status of Long Term Vacant terminated, however, there may be potential for some confusion arising from a D0311 received with a Zero EAC upon a CoS event?</p>

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Any queries on the content of the consultation pro-forma should be addressed to Katie Key on 020 7380 4376, email address Katie-ann.key@elexon.co.uk.

P196 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Shey Cobley
Company Name:	British Energy
No. of BSC Parties Represented	5
Parties Represented	<i>British Energy Power & Energy Trading Ltd, British Energy Direct Ltd, British Energy Generation Ltd, British Energy Generation (UK) Ltd, Eggborough Power Ltd.</i>
No. of Non BSC Parties Represented (e.g. Agents)	-
Non Parties represented	-
Role of Respondent	<i>Supplier/Generator/Trader/Consolidator/Exemptable Generator/Party Agent</i>
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
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Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	No	<p>British Energy does not feel that the applicable BSC Objectives are more effectively facilitated by the Proposed Modification. It is felt that the current methods at the disposal of the supplier are capable of resolving the perceived issues. These methods include contract terms and obtaining warrants.</p> <p>A number of points need to be raised in relation to the arguments used to justify that the applicable objectives are more effectively met by the Proposed Modification.</p> <p>Firstly, we strongly disagree with the notion that new market entrants are hindered by the current system. New market entrants will not acquire a significant number of Long Term Vacant Sites (LTV) as they are only capable of contracting new business with the current occupier/owner of a site. We do not believe that there will be a significant incidence of LTV even within large portfolio acquisitions, as sites that are vacant will be subject to contractual terms. New market entrants should be able to address LTV site issues as they arise.</p> <p>Secondly, the argument that the cost is too high to obtain reads in order to correct the perceived over-statement of energy undermines the whole basis of the settlement process. If it is believed that the process for obtaining reads is flawed then the focus should be on making improvements to the system of obtaining reads rather than removing the obligation to obtain a read.</p> <p>Finally, the assertion that the consumption data entering settlement will be improved by not obtaining a read is erroneous. Settlement accuracy can only be achieved through obtaining a meter read.</p> <p>This proposal moves the uncertainty from one area to another without addressing the issues.</p>

Q	Question	Response	Rationale
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline No Compared to the Proposed Modification Yes	It is not felt that Alternative 1 meets the applicable BSC objectives more effectively than the current system for the same reasons as outlined in Question One. British Energy believes, when compared to the Proposed Modification, that Alternative 1 would more effectively meet the applicable BSC Objectives. By the application of an AA rather than an EAC there is greater incentive for the supplier to continue to check sites still qualify for LTV status
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline No Compared to the Proposed Modification No	It is not felt that Alternative 2 meets the BSC objectives more effectively than the current system for the same reasons as outlined in Question One. Alternative 2 does not meet the applicable BSC Objectives more effectively than the Proposed Modification. British Energy feels that this alternative will further increase complexity, and give rise to a number of exceptions that will have to be managed by the supplier.
4.	Do you currently attempt to obtain warrants for Long Term Vacant sites? Please give rationale.	No	British Energy does not currently attempt to obtain warrants in order to gain access to Long Term Vacant Sites. If access is required then contractual routes are pursued. We would only use warrants as a last resort (eg. safety issues). It must be noted that warrants have been successfully obtained by British Energy for other purposes, such as de-energisation.
5.	If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these? Please give examples.	No	

Q	Question	Response	Rationale
6.	<p>The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale?</p> <p>Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification</p>	Yes	<p>British Energy feels that a seven month timescale is a reasonable period of time in which a supplier should make a proactive attempt to obtain a meter reading. However, as only two attempts would be made before access would have to be sought by the supplier in order to meet supplier licence obligations, this process would add an unnecessary layer of complexity, and delay addressing the issues.</p> <p>The proposed timescale will ensure that the current read cycles are not interrupted. It is noted those sites on a yearly read cycle could be seen to be disadvantaged relative to sites with shorter read cycles. However, if the first read failed on a yearly read cycle then the supplier should be looking to gain access the following year in order to fulfil supply licence obligations.</p> <p>British Energy also has concerns about the over-reliance on the D0004 flow, and Site Visit Check Code 02. If the proposal were to be implemented clear guidance should be given about the use of the Check Code, and additional training would be required.</p>
7.	<p>Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit check Code 02?</p> <p>Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.</p>	Yes	<p>Noting that British Energy does not support the modification proposal, if it were to be implemented we would support the notion that the Change of Tenancy reading could be used as the start date of the Long Term Vacant site.</p> <p>However, it must be noted that British Energy would not look to implement this process for Change of Tenancy Sites. At present we aim to de-energise the site once it becomes vacant. If consumption were detected by the Meter Operator when they attended site then we request that the details of the new occupier are obtained along with a reading. British Energy would aim to continue the use of this process as it is felt that if the MPAN was left energised that illegal abstraction could occur thus affecting the balance within Settlement.</p>

[illegible]

Q	Question	Response	Rationale
11.	Are there any further comments or any other data on P196 that you wish to provide?	Yes	<p>British Energy believes that the assumption on which this proposal is written is flawed. Settlement accuracy can only be achieved through obtaining a meter read. The modification is not addressing the core issue relating to the access of metering points.</p> <p>Under current rules, the supplier responsible for obtaining a meter reading is exposed to clear incentives to do so. If the site is using electricity, then a non-zero estimate is appropriate. If the site is not using electricity it is in the supplier's interest to obtain a meter reading. If the proposal were accepted, the incentive to obtain reads from difficult sites would be reduced, and the cost of energy actually used at sites assumed to be vacant and not using electricity would be borne by other suppliers through GSP Group Correction. This does not seem appropriate, as other suppliers have no means of checking or rectifying errors at another suppliers 'vacant sites'.</p> <p>It is noted that in some cases the warrant process can be problematic, however, as it has previously been stated this is not the only method to gain access at the disposal of the supplier. Also, the point should be made that just because a process is difficult for some to administer does not mean it should be replaced. Additionally, access has to be gained every two years to ensure that the supply licence requirements are met. If warrants cannot be gained on the grounds of Health and Safety then this is an issue that needs to be raised within a different forum. If an individual were to gain access to a site illegally and tamper with metering in the process harming themselves there would be a number of legal questions to be answered, especially if the Safety Checks had not occurred. It is in the interest of the industry to gain access to these sites.</p> <p>If an owner has been identified, and is unable to provide meter readings or access to a metering point, this does not mean that the site is, or should, be classed as Long Term Vacant. There are a number of commercial sites that are unmanned, a number of D0004 flows could be received for such a site indicating that it appears vacant.</p>

Q	Question	Response	Rationale
			<p>If this proposal were to be passed then a number of additional issues would need to be addressed.</p> <p>Firstly, at present the level of uncertainty created by vacant sites is apparently taken into consideration in the setting of the RF standard at 97%. If Long Term Vacant Sites have a zero EAC attributed then the RF standard might need to be reviewed to take account of any change in assumed uncertainty within the market.</p> <p>Secondly, consideration needs to be given in the wider market to the effective processing of DUOS charges and invoices. Changing the EAC to zero for sites believed to be vacant but actually using energy would in the short term provide a windfall gain to those parties most affected. In the longer term it would cause a shift in the burden of distribution charging from parties able to investigate 'vacant sites' registered to them onto other parties who are not able to investigate them.</p>

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P196 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	<i>Richard Harrison</i>
Company Name:	Npower Ltd
No. of BSC Parties Represented	10
Parties Represented	<i>RWE Trading GmbH; RWE Npower Ltd; Npower Commercial Gas Ltd; Npower Cogen Trading Ltd; Npower Direct Ltd; Npower Ltd; Npower Northern Ltd; Npower Northern Supply Ltd; Npower Yorkshire Ltd; Npower Yorkshire Supply Ltd</i>
No. of Non BSC Parties Represented (e.g. Agents)	None
Non Parties represented	N/A
Role of Respondent	<i>Supplier / Generator / Trader / Consolidator / Exemptable Generator / Party Agent</i>
Does this response contain confidential information?	

Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Yes	It should help to minimise the artificial over-accounting of consumption in Settlement for certain Suppliers with a significant number of long term vacant sites in their portfolios

Q	Question	Response	Rationale
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes Compared to the Proposed Modification No	(But see below) This option introduces additional complexity without any real benefit
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes Compared to the Proposed Modification No	(But see below) This would potentially provide an additional control. However, it is likely to have significant additional costs compared with the Proposed Modification, which may not be justified for the relatively small proportion of metering systems that cannot be dealt with effectively by the already available solutions of de-energisation or obtaining access and actual meter readings.
4.	Do you currently attempt to obtain warrants for Long Term Vacant sites? Please give rationale.	No	Our process for obtaining meter readings for long-term EAC sites does not normally extend to obtaining warrants unless all other methods have failed and there are other specific reasons for doing so.
5.	If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these? Please give examples.	N/A	

Q	Question	Response	Rationale
6.	The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification	Yes	The 7 month timescale accommodates half-yearly visit cycle, which seems a reasonable compromise between the cost of visits and the need to monitor for re-occupation.
7.	Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit check Code 02? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.	Yes	This seems reasonable if it is known that the site was unoccupied from this date.
8.	Do you believe that under the Proposed Modification, the NHHDC should be informed that a site is Long Term Vacant via the D0052 or a manual process? Please also comment as to whether you believe the use of a flow or a manual process should remain optional and down to the Supplier? Please give rationale.	D0052 Mandatory	Use of the D0052 would be a more robust process. It would be preferable for the D0052 to be the standard method of communication.
9.	If the use of the D0052 was mandated, what would be the impact on your organisation? Please give rationale.		We understand that no NHHDC system changes should be required (subject to confirmation). Supplier systems may vary, but should be able to accommodate this since the D0052 process needs to be able to use manual input to take data from other sources.

Q	Question	Response	Rationale
10.	Do you agree with the Modification Group that reporting is required by Suppliers to LDSOs under the Proposed Modification?	Yes / No	It is really for LDSOs to decide whether this is required for them to fulfil their obligations (We would expect the answer to be the same for all of them)
11.	Are there any further comments or any other data on P196 that you wish to provide?	Yes	<p>1) We are concerned that the proposed treatment of genuinely vacant sites within a multi-site customer portfolio on Change of Supplier may not be consistent with the objective of furthering competition in supply, and are not convinced that the Mod Group actually agreed all of what is in the last paragraph of 3.3.2. The 'one size fits all' approach seems inappropriate, and artificially increases the cost/risk of serving what may be quite a significant segment of the market (potentially including local authority/association housing and other re-development sites). If the premises are long-term vacant and the old Supplier has to notify the new Supplier of this, there is (as suggested) a clear trigger to check whether they are to remain vacant and, provided this is confirmed, there is absolutely no reason to re-introduce a non-zero EAC at this point, thereby putting an additional burden onto the new Supplier compared with the obligations/liabilities on the existing Supplier. In the event that it is decided to enforce re-application a non-zero EAC to such sites on Change of Supplier, it needs to be clarified that on re-confirmation of the Vacant status at the next read attempt, the COS read event may be taken as the start of the long-term vacancy period – Otherwise the new Supplier may effectively be charged a 'penalty' of up to 7 months' consumption or be faced with the costs of obtaining at least one and possible 2 warrants for access.</p> <p>2) Our assumption is that under the base proposal, the advance immediately prior to the LTV 'start' or 'end' events are AAs, so that only the forward-going period has a zero EAC. If this is not the case, more significant changes to the core EAC/AA processing may be needed, together changes to D0095 reporting.</p> <p>3) It needs to be clarified that the DC may need to deem (or substitute) a meter reading for the end of the LTV period if one has not been obtained. (This may need to be recognised as an additional deeming circumstance in BSCP504).</p> <p>4) There is a need to define the process requirements fully in detail, to ensure the process is workable in practice.</p>

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Respondent:	<i>Alison Hughes</i>
Company Name:	<i>BizzEnergy</i>
No. of BSC Parties Represented	<i>1</i>
Parties Represented	<i>BIZZ</i>
No. of Non BSC Parties Represented (e.g. Agents)	
Non Parties represented	<i>Please list all non Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent	<i>Supplier</i>
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Yes / No	Yes – evidence of over consumption in settlements. Change promotes good data housekeeping which will be reflected in settlements.
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes / No Compared to the Proposed Modification Yes / No	No, agree with the modification group that this introduces uncertainty across settlement runs No

Q	Question	Response	Rationale
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes / No Compared to the Proposed Modification Yes / No	Yes Comparable – greater visibility, but may be costly to implement.
4.	Do you currently attempt to obtain warrants for Long Term Vacant sites? Please give rationale.	Yes / No	Yes – as part of debt recovery
5.	If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these? Please give examples.	Yes / No / N/A	Yes – costly in terms of trying track owner and obtaining warrant. Depending on security arrangements, it is not always possible to gain access
6.	The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification	Yes / No	Yes

Q	Question	Response	Rationale
7.	Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit check Code 02? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.	Yes / No	Yes
8.	Do you believe that under the Proposed Modification, the NHHDC should be informed that a site is Long Tern Vacant via the D0052 or a manual process? Please also comment as to whether you believe the use of a flow or a manual process should remain optional and down to the Supplier? Please give rationale.	D0052 / Manual Mandatory / optional	D0052 should be sent, but this may need to be supported by manual process. D0052 should be mandatory – consistent approach
9.	If the use of the D0052 was mandated, what would be the impact on your organisation? Please give rationale.	Yes / No	Very little
10.	Do you agree with the Modification Group that reporting is required by Suppliers to LDSOs under the Proposed Modification?	Yes / No	Yes – responses from Distributors suggest there is an impact on DUoS income. May be appropriate to reduce the availability as the site is empty and consumption zero.
11.	Are there any further comments or any other data on P196 that you wish to provide?	Yes / No	No

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Respondent:	<i>Mark McGuire</i>
Company Name:	<i>AccuRead Limited</i>
No. of BSC Parties Represented	<i>None</i>
Parties Represented	
No. of Non BSC Parties Represented (e.g. Agents)	<i>1</i>
Non Parties represented	<i>AccuRead Limited</i>
Role of Respondent	<i>Party Agent – NHHDC and NHHDA</i>
Does this response contain confidential information?	<i>No</i>

Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Yes	AccuRead supports Modification P196 on the basis that it is a fair and equitable proposal that will improve the accuracy of the Settlements Process. The applicable BSC Objectives that will be enhanced are b, c and d.
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes Compared to the Proposed Modification No	AccuRead believes that setting the EAC to zero as described in question 1 is the best technique to achieve the objectives.

Q	Question	Response	Rationale
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes Compared to the Proposed Modification No	AccuRead believes that setting the EAC to zero as described in question 1 is the best technique to achieve the objectives.
4.	Do you currently attempt to obtain warrants for Long Term Vacant sites? Please give rationale.	No	AccuRead is able to obtain warrants under the appropriate Rights of Entry legislation, but has not been asked to do so by any suppliers.
5.	If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these? Please give examples.	N/A	
6.	The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification	Yes	

Q	Question	Response	Rationale
7.	Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit check Code 02? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.	Yes	
8.	Do you believe that under the Proposed Modification, the NHHDC should be informed that a site is Long Tern Vacant via the D0052 or a manual process? Please also comment as to whether you believe the use of a flow or a manual process should remain optional and down to the Supplier? Please give rationale.	D0052 Mandatory	The impact of this modification is such that it ought to be a carefully process that is fully auditable. This is best achieved by the sending of agreed industry flows via the DTN, which we believe should be the mandatory method used.
9.	If the use of the D0052 was mandated, what would be the impact on your organisation? Please give rationale.	Yes / No	If the D0052 in its current form were to be used, there would be no impact. However, a trigger would be needed for the NHHDC to deem a reading up to the point from which the Long Term No Access classification commenced. We suggest this trigger should be a D0005 flow sent by the supplier via the DTN, using a 'Requested Action Code' (J0007) of 17, and the 'Date Action required By' (J0028) to be the day before the Long Term No Access classification commenced. An impact analysis to determine the actions required to implement this has not yet been fully assessed.
10.	Do you agree with the Modification Group that reporting is required by Suppliers to LDSOs under the Proposed Modification?	Yes	Given the impact on Settlements, LDSOs should be advised that a status of Long Term No Access has been attributed to a site.

Q	Question	Response	Rationale
11.	Are there any further comments or any other data on P196 that you wish to provide?	Yes	With reference to 2.13 Change of Supplier for long Term Vacant sites, we believe that notification of the non-zero EAC from the new supplier to the new NHHDC should occur via a D0052 flow. The timing needs to be aligned in such a manner that the new EAC overwrites the zero EAC prior to any action to deem a reading, i.e. prior to SSD+8. If this is not achieved, then any rectification area necessary between suppliers should follow the Disputed Change of Supplier Reads process.

Parties are encouraged to provide financial information with regard to either the costs or benefits of the Modification Proposal to support the Assessment Procedure. Where requested this information can be treated as confidential, although all information will be provided to the Authority.

Please send your responses by **17:00 on Monday 20 February 2006** to modification.consultations@elexon.co.uk and please entitle your email 'P196 **Assessment Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Modification Group.

Any queries on the content of the consultation pro-forma should be addressed to Katie Key on 020 7380 4376, email address Katie-ann.key@elexon.co.uk.

P196 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	Sue Macklin
Company Name:	Scottish and Southern Energy plc
No. of BSC Parties Represented	6
Parties Represented	SSE Energy Supply Ltd, SSE Generation Ltd, Keadby Generation Ltd, Medway Power Ltd, Southern Electric Power Distribution plc, Scottish Hydro-Electric Power Distribution Ltd
No. of Non BSC Parties Represented (e.g. Agents)	1
Non Parties represented	SSE Power Distribution Ltd
Role of Respondent	Supplier/Generator/ Trader / Party Agent / Distributor
Does this response contain confidential information?	<i>Yes (question 9)</i>

Q	Question	Response	Rationale
1.	Do you believe Proposed Modification P196 (setting the EAC to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Yes / No	Yes. Settlements more accurately reflecting energy usage.
2.	Do you believe option 1 for an Alternative Modification P196 (setting the AA to zero) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes / No Compared to the Proposed Modification Yes / No	No. No.

Q	Question	Response	Rationale
3.	Do you believe option 2 for an Alternative Modification P196 (defining a new Measurement Class for Long Term Vacant sites and excluding Metering Systems in the Measurement Class from Settlement) better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s).	Compared to the current baseline Yes / No Compared to the Proposed Modification Yes / No	No. Not robust solution. No.
4.	Do you currently attempt to obtain warrants for Long Term Vacant sites? Please give rationale.	Yes / No	Only if we are unable to establish who is responsible for the property, i.e. who pays the bills. The main driver for drawing a warrant is unpaid accounts which, in the case of vacant sites, will be the result of unpaid estimated accounts because we can't get access to get a reading.
5.	If you do currently attempt to obtain warrants for Long Term Vacant sites, do you come across any issues with obtaining these? Please give examples.	Yes / No / N/A	Generally, obtaining warrants is straightforward. It is sometimes more difficult in Scotland as the courts seem to be more stringent but providing we have done our homework and exhausted every avenue we can get warrants.
6.	The Modification Group have suggested that once a site is identified as Long Term Vacant, that the Supplier should check that a D0004 with Site Visit Check Code 02 is received at least once every seven months and that the Supplier should make proactive attempts to identify the owner of the property and obtain a Meter reading at least once every seven months. Do you agree with the seven month timescale? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification	Yes / No	Agree with 7 month timescale but not support shorter timescale.

Q	Question	Response	Rationale
7.	Do you agree with the Modification Group that the Change of Tenancy reading can be used as the start date for a Long Term Vacant site if it is within 7 months of the date of the first D0004 with site visit check Code 02? Please give rationale and if you disagree with the timescale, please give an alternative timescale, with justification.	Yes	Yes. logical
8.	Do you believe that under the Proposed Modification, the NHHDC should be informed that a site is Long Tern Vacant via the D0052 or a manual process? Please also comment as to whether you believe the use of a flow or a manual process should remain optional and down to the Supplier? Please give rationale.	D0052 / Manual Mandatory / optional	The use of the D0052 should be determined by the Supplier and managed by contractual arrangements with their NHHDC.
9.	If the use of the D0052 was mandated, what would be the impact on your organisation? Please give rationale.	Yes / No	
10.	Do you agree with the Modification Group that reporting is required by Suppliers to LDSOs under the Proposed Modification?	No	

Q	Question	Response	Rationale
11.	Are there any further comments or any other data on P196 that you wish to provide?	Yes	<p>Part of the solution (page 10 2.7.2) is for the NHHDC to take the last actual meter reading and use the corresponding EAC to deem a reading before the date of the start of the Long Term Vacant Period (this is where there is no meter reading for the start of the long term vacancy). I wasn't aware the EAC/AA system could calculate a deemed read from a meter reading and an EAC. As I understand it the EAC/AA system either uses an EAC with the corresponding DPCs (automated process) or, via the manual interface, two meter readings (and the DPCs). Has the additional work for making changes to EAC/AA been taken into account?</p> <p>Page 4 – 2nd bullet point under 'NOTED' states that this would be optional for Suppliers which suggests that it would be mandatory for other participants. It is not within the remit of the BSC to place mandatory requirements on Party Agents as they are not signatories to the BSC.</p>

Parties are encouraged to provide financial information with regard to either the costs or benefits of the Modification Proposal to support the Assessment Procedure. Where requested this information can be treated as confidential, although all information will be provided to the Authority.

Please send your responses by **17:00 on Monday 20 February 2006** to modification.consultations@elexon.co.uk and please entitle your email 'P196 **Assessment Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Modification Group.

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