

Responses from P178 Draft Report Consultation

Consultation Issued 14 December 2004

Representations were received from the following parties

No	Company	File number	No BSC Parties Represented	No Non-Parties Represented
1.	E.ON UK plc	P178_dMR_001	15	0
2.	British Gas	P178_dMR_002	1	0
3.	Npower	P178_dMR_003	10	0
4.	EDF Energy	P178_dMR_004	9	0
5.	Central Networks	P178_dMR_005	1	0
6.	Scottish and Southern	P178_dMR_006	5	0

P178 REPORT PHASE 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:	E.ON UK plc
No. of Parties Represented	15
Parties Represented	E.ON UK plc, Powergen Retail Limited, Cottam Development Centre Limited, Enizade Ltd, E.ON UK Drakelow Limited, E.ON UK Ironbridge Limited, E.ON UK High Marnham Limited, Midlands Gas Limited, Western Gas Limited, TXU Europe (AHG) Limited, TXU Europe (AH Online) Limited, Citigen (London) Limited, Severn Trent Energy Limited (known as TXU Europe (AHST) Limited), TXU Europe (AHGD) Limited and Ownlabel Energy.
No. of Non Parties Represented	N/A
Non Parties represented	N/A
Role of Respondent	Supplier, Generator, Trader, Consolidator & Exemptable Generator

Q	Question	Response Error! Bookmark not defined.	Rationale
1.	Do you agree with the Panel's provisional recommendation to the Authority, as set out in the draft Modification Report, that the Proposed Modification P178 should not be made? Please give rationale.	Yes	New parties are more likely to accede to the Code if they have the assurance that fellow participants are in for the longer term, and hence are more likely to settle their outstanding bills, rather than join, trade for a few weeks and then leave without a trace. We therefore believe that P178 would be detrimental to competition. The proposed deposit mechanism would result in more work and costs for ELEXON and would introduce additional unnecessary complexity in to the trading arrangements. As such, P178 would have a negative effect on the efficiency of the Code.
2.	Do you agree with the Panel's provisional recommendation to the Authority, as set out in the draft Modification Report, that the Alternative Modification P178 should not be made? Please give rationale.	Yes	The Alternative modification does not remedy either the damage to competition or the inefficiencies described above.
3.	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	

Q	Question	Response Error! Bookmark not defined.	Rationale
4.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P178, as set out in the draft Modification Report? Please give rationale.	Yes	
5.	Are there any further comments on P178 that you wish to make?	No	

Please send your responses by **17:00 on Thursday 23 December 2004** to modification.consultations@elexon.co.uk and please entitle your email '**P178 Report Phase Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Kathryn Coffin (020 7380 4030, kathryn.coffin@elexon.co.uk) or Dena Harris (020 7380 4364, dena.harris@elexon.co.uk).



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Our Ref.
Your Ref.
23 December 2004

Dear Sirs,

Re: Modification Proposal P178 – Reduction in the BSC Withdrawal Timescales for Parties who have settled the vast majority of their Trading debts

Thank you for the opportunity of responding to this draft modification report considering Modification Proposal P178. British Gas Trading (BGT) agrees with the Panel's provisional recommendation that neither the Modification nor the Alternative should be made.

BGT's main concern with the proposed and the alternative is there is no accurate methodology for estimating a party's future trading liabilities. This raises the possibility that the remaining BSC parties could be exposed to a bad debt due to the methodology in the BSC for recovering the debt. BGT do not believe this can be seen to better facilitate competition in the generation and supply of electricity.

Whilst BGT does not support the modification proposal BGT agrees with the proposed implementation date.

If you have any questions regarding this response please contact me 01753 431137.

Yours faithfully

Mark Manley
Contract Manager

A *centrica* business

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www.gas.co.uk

P178 REPORT PHASE CONSULTATION QUESTIONS

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Respondent:	<i>Name</i> John Stewart
Parties Represented	10
No. of Parties Represented	RWE Trading GmbH, RWE Npower plc, Npower Co-gen Ltd, Npower Co-gen Trading Ltd, Npower Direct Ltd, Npower Ltd, Npower Northern Ltd, Npower Northern Supply Ltd, Npower Yorkshire Ltd, Npower Yorkshire Supply Ltd
No. of Non Parties Represented	0
Non Parties represented	<i>N/A</i>
Role of Respondent	<i>Supplier/Generator/ Trader / Consolidator / Exemptable Generator / Party Agent</i>

Q	Question	Response Error! Bookmark not defined.	Rationale
1.	Do you agree with the Panel's provisional recommendation to the Authority, as set out in the draft Modification Report, that the Proposed Modification P178 should not be made? Please give rationale.	Yes	<p>We agree with the Panel's provisional recommendation to the Authority that the Proposed Modification P178 should not be made.</p> <p>This is because we feel that neither the Proposed nor Alternative Modification meets the Applicable BSC objectives. There can be no guarantee that remaining parties won't become liable for any potential unforeseen and/or unpredicted charges incurred following the early withdrawal of a Party.</p> <p>This has recently been highlighted by the Approval of Modification P181.</p>
2.	Do you agree with the Panel's provisional recommendation to the Authority, as set out in the draft Modification Report, that the Alternative Modification P178 should not be made? Please give rationale.	Yes	See response to question 1.
3.	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes	Whilst we do not support the Modification because of its potential incalculable risk to remaining Parties we do believe that if the Authority approves the Modification the legal text provided does adequately address the issue raised in the Modification Proposal

Q	Question	Response Error! Bookmark not defined.	Rationale
4.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P178, as set out in the draft Modification Report? Please give rationale.	Yes	
5.	Are there any further comments on P178 that you wish to make?	No	

Please send your responses by **17:00 on Thursday 23 December 2004** to modification.consultations@elexon.co.uk and please entitle your email '**P178 Report Phase Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Kathryn Coffin (020 7380 4030, kathryn.coffin@elexon.co.uk) or Dena Harris (020 7380 4364, dena.harris@elexon.co.uk).

P178 REPORT PHASE 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:	Paul Chesterman (EDF Energy)
No. of Parties Represented	9
Parties Represented	EDF Energy Networks (EPN) plc; EDF Energy Networks (LPN) plc EDF Energy Networks (SPN) plc; EDF Energy (Sutton Bridge Power) Jade Power Generation Ltd; EDF Energy (West Burton Power) Ltd; EDF Energy plc; London Energy plc; Seeboard Energy Limited
No. of Non Parties Represented	0
Non Parties represented	N/A
Role of Respondent	Supplier / Generator / Trader

Q	Question	Response <small>Error! Bookmark not defined.</small>	Rationale
1.	Do you agree with the Panel's provisional recommendation to the Authority, as set out in the draft Modification Report, that the Proposed Modification P178 should not be made? Please give rationale.	Yes	
2.	Do you agree with the Panel's provisional recommendation to the Authority, as set out in the draft Modification Report, that the Alternative Modification P178 should not be made? Please give rationale.	Yes	
3.	Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.	Yes / No	We would look to Elexon and the Modification Group to advise on the suitability of the Legal Text.
4.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P178, as set out in the draft Modification Report? Please give rationale.	Yes	
5.	Are there any further comments on P178 that you wish to make?	No	

Please send your responses by **17:00 on Thursday 23 December 2004** to modification.consultations@elexon.co.uk and please entitle your email '**P178 Report Phase**

Consultation. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Kathryn Coffin (020 7380 4030, kathryn.coffin@elexon.co.uk) or Dena Harris (020 7380 4364, dena.harris@elexon.co.uk).

P178_dMR_005.txt

P178 Report Phase consultation - responses requested by 5pm 23/12/04
From: Sue Pritchard
Sent: 23 December 2004 12:13
To: Modification Consultations
Subject: RE: P178 Report Phase consultation - responses requested by 5pm 23/12/04

Central Networks would like to return a response of 'No Comment' to the P178 Report Phase consultation.

Regards
Simon Sturgess

Registration Services
Central Networks

From: Garth Graham
Sent: 23 December 2004 14:57
To: Modification Consultations
Cc: Kathryn Coffin
Subject: P178 Report Phase consultation

Dear Sirs,

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

In relation to the five questions listed in the Report Phase Consultation document, contained within your note of 14th December 2004 concerning Modification Proposals P178, we have the following comments to make: -

Q1 Do you agree with the Panel's provisional recommendation to the Authority, as set out in the draft Modification Report, that the Proposed Modification P178 should not be made? Please give rationale.

Yes, we agree with the Panel's proposed recommendation to the Authority that the Proposed Modification P178 should not be made.

We believe, on reflection, having taken account of the discussions in the Report Phase Consultation document (and in particular the arguments in Sections 1.4 and 1.7) that neither the Proposed or the Alternative P178 better facilitates the achievement of the Applicable BSC Objectives.

Q2 Do you agree with the Panel's provisional recommendation to the Authority, as set out in the draft Modification Report, that the Alternative Modification P178 should not be made? Please give rationale.

Yes, we agree with the Panel's proposed recommendation to the Authority that the Alternative Modification P178 should not be made for the reasons outlined in our answer to Q1 above.

Q3 Do you agree with the Panel's view that the legal text provided in the draft Modification Report correctly addresses the defect or issue identified in the Modification Proposal? Please give rationale.

It appears to.

Q4 Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P178, as set out in the draft Modification Report? Please give rationale.

If the Modification Proposal P178 (original or alternative) is approved, we agree with the BSC Panel's provisional recommendation concerning the Implementation Dates

Q5 Are there any further comments on P178 that you wish to make?

Not at this time.

Regards

Garth Graham
Scottish and Southern Energy plc

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