

Modification Circular MC00085



PLEASE RETURN by 5pm on Wednesday 25th August 2004:

To: Elexon Modifications

4th Floor
350 Euston Road
LONDON
NW1 3AW

Tel: 020 7380 4364

Fax: 020 7380 0460

Email: Modifications@elexon.co.uk

MC00085: DLIA of P157 "Replacement of current Supplier Charges rules"

Please provide responses to the following questions:

1. Would the Proposed Modification, as outlined in the attached Requirements Specification, impact your organisation? **No**
2. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required:
3. Would the Alternative Modification, as outlined in the attached Requirements Specification, impact your organisation? **No**
4. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required:
5. Any other comments:

ScottishPower are both surprised and disappointed that the "Bond Rebate" method and associated removal of CAPS have been withdrawn from the Alternative Proposal. Based on the Industry response to the 2nd Assessment Consultation and Ofgem's direction; we would suggest that there was an opportunity to further "tune" the "Bond Rebate" method, together with the application of a CAP on certain Serials which could have formed the basis of an acceptable Alternative modification to both Industry and Ofgem.

Name: **John W Russell**

BCA/PACA* **BCA**

Organisation: **SAIC Ltd.**

Response provided on behalf of:

Scottish Power UK plc
ScottishPower Energy Management Ltd.
ScottishPower Generation Ltd.
ScottishPower Energy Retail Ltd.
SP Manweb plc.
SP Transmission Ltd.

Date: **25th August 2004**



Modification Circular

To BSC Change Administrators (BCAs) / Party
Agent Change Administrators (PACAs) /
Core Industry Document Owners

No. MC00085

From ELEXON Modifications

Date 17 August 2004

P157 'Replacement of current Supplier Charges rules':

Detailed Level Impact Assessment

Modification Proposal P157 'Replacement of current Supplier Charges rules', (P157), was raised on 5 January 2004 by EDF Energy. P157 proposes to replace the current Supplier Charges rules in Annex S-1 of the Code with a clear and readily understood set of rules should assist with the drive to improve the quality of data entering Settlement.

The latest BSC Audit has been qualified and it is the Proposer's view that a major contributory factor to this was the level of poor data quality in Supplier Volume Allocation especially within the Non Half Hourly (NHH) sector. Supplier Charges are intended to be a corrective technique but the recent work of the VASMG on Issue 6 has raised serious concerns over the appropriateness of the current rules and their effectiveness as a corrective technique.

More information can be found in the attached Requirements Specification and Consultation Document.

Detailed Level Impact Assessment

Parties, Party Agents and Core Industry Document Owners are requested to review the attached Requirements Specification and respond to the questions included in the response form attached to this circular. Responses are required by **12 noon on Thursday 26 August 2004**.

In particular, small Parties are invited to provide views as to any of the changes proposed under P157.

Please let me know as soon as possible if you are unable to meet this deadline, as it may not be possible for the Modification Group to consider late responses. No response to this circular will be taken to mean that your organisation is not impacted by the proposed changes.

If you have any queries please contact the ELEXON Helpdesk on 020 7380 4222 or email helpdesk@elexon.co.uk.

Kind Regards

Change Planning

Attachments:

- P157: Requirements Specification.



Modification Circular

To BSC Change Administrators (BCAs) / Party
Agent Change Administrators (PACAs) /
Core Industry Document Owners

No. MC00085

From ELEXON Modifications

Date 17 August 2004

P157 'Replacement of current Supplier Charges rules':

Detailed Level Impact Assessment

Modification Proposal P157 'Replacement of current Supplier Charges rules', (P157), was raised on 5 January 2004 by EDF Energy. P157 proposes to replace the current Supplier Charges rules in Annex S-1 of the Code with a clear and readily understood set of rules should assist with the drive to improve the quality of data entering Settlement.

The latest BSC Audit has been qualified and it is the Proposer's view that a major contributory factor to this was the level of poor data quality in Supplier Volume Allocation especially within the Non Half Hourly (NHH) sector. Supplier Charges are intended to be a corrective technique but the recent work of the VASMG on Issue 6 has raised serious concerns over the appropriateness of the current rules and their effectiveness as a corrective technique.

More information can be found in the attached Requirements Specification and Consultation Document.

Detailed Level Impact Assessment

Parties, Party Agents and Core Industry Document Owners are requested to review the attached Requirements Specification and respond to the questions included in the response form attached to this circular. Responses are required by **12 noon on Thursday 26 August 2004**.

In particular, small Parties are invited to provide views as to any of the changes proposed under P157.

Please let me know as soon as possible if you are unable to meet this deadline, as it may not be possible for the Modification Group to consider late responses. No response to this circular will be taken to mean that your organisation is not impacted by the proposed changes.

If you have any queries please contact the ELEXON Helpdesk on 020 7380 4222 or email helpdesk@elexon.co.uk.

Kind Regards

Change Planning

Attachments:

- P157: Requirements Specification.

Modification Circular

Continued

Page 2

PLEASE RETURN BY 12 noon on Thursday 26 August 2004

To: ELEXON Modifications

4th Floor

350 Euston Road

LONDON

NW1 3AW

Tel: 020 7380 4364

Fax: 020 7380 4360

Email: modifications@elexon.co.uk

MC00085: Detailed Level Impact Assessment of P157

Please provide responses to the following questions:

1. Would the Proposed Modification, as outlined in the attached Requirements Specification, impact your organisation? Yes
2. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required:

The proposed modification is not expected to have any significant impact on our business systems, however, there will be a small impact on the business process used to validate the supplier charges invoices whichever solution is implemented.

3. Any other comments:

Name: Edward Coleman_____

BCA _____

Organisation: _Powergen_____

Date: __20/08/2004_____

*Please delete as appropriate

Modification Circular MC00085



PLEASE RETURN by 5pm on Wednesday 25th August 2004:

To: Elexon Modifications

4th Floor
350 Euston Road
LONDON
NW1 3AW

Tel: 020 7380 4364

Fax: 020 7380 0460

Email: Modifications@elexon.co.uk

MC00085: DLIA of P157 "Replacement of current Supplier Charges rules"

Please provide responses to the following questions:

1. Would the Proposed Modification, as outlined in the attached Requirements Specification, impact your organisation? **No**
2. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required:
3. Would the Alternative Modification, as outlined in the attached Requirements Specification, impact your organisation? **No**
4. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required:
5. Any other comments:

ScottishPower are both surprised and disappointed that the "Bond Rebate" method and associated removal of CAPS have been withdrawn from the Alternative Proposal. Based on the Industry response to the 2nd Assessment Consultation and Ofgem's direction; we would suggest that there was an opportunity to further "tune" the "Bond Rebate" method, together with the application of a CAP on certain Serials which could have formed the basis of an acceptable Alternative modification to both Industry and Ofgem.

Name: **John W Russell**

BCA/PACA* **BCA**

Organisation: **SAIC Ltd.**

Response provided on behalf of:

Scottish Power UK plc
ScottishPower Energy Management Ltd.
ScottishPower Generation Ltd.
ScottishPower Energy Retail Ltd.
SP Manweb plc.
SP Transmission Ltd.

Date: **25th August 2004**



Modification Circular

To BSC Change Administrators (BCAs) / Party
Agent Change Administrators (PACAs) /
Core Industry Document Owners

No. MC00085

From ELEXON Modifications

Date 17 August 2004

P157 'Replacement of current Supplier Charges rules': **Detailed Level Impact Assessment**

Modification Proposal P157 'Replacement of current Supplier Charges rules', (P157), was raised on 5 January 2004 by EDF Energy. P157 proposes to replace the current Supplier Charges rules in Annex S-1 of the Code with a clear and readily understood set of rules should assist with the drive to improve the quality of data entering Settlement.

The latest BSC Audit has been qualified and it is the Proposer's view that a major contributory factor to this was the level of poor data quality in Supplier Volume Allocation especially within the Non Half Hourly (NHH) sector. Supplier Charges are intended to be a corrective technique but the recent work of the VASMG on Issue 6 has raised serious concerns over the appropriateness of the current rules and their effectiveness as a corrective technique.

More information can be found in the attached Requirements Specification and Consultation Document.

Detailed Level Impact Assessment

Parties, Party Agents and Core Industry Document Owners are requested to review the attached Requirements Specification and respond to the questions included in the response form attached to this circular. Responses are required by **12 noon on Thursday 26 August 2004**.

In particular, small Parties are invited to provide views as to any of the changes proposed under P157.

Please let me know as soon as possible if you are unable to meet this deadline, as it may not be possible for the Modification Group to consider late responses. No response to this circular will be taken to mean that your organisation is not impacted by the proposed changes.

If you have any queries please contact the ELEXON Helpdesk on 020 7380 4222 or email helpdesk@elexon.co.uk.

Kind Regards

Change Planning

Attachments:

- P157: Requirements Specification.

Modification Circular

Continued

Page 2

PLEASE RETURN BY 12 noon on Thursday 26 August 2004

To: ELEXON Modifications

4th Floor

350 Euston Road

LONDON

NW1 3AW

Tel: 020 7380 4364

Fax: 020 7380 4360

Email: modifications@elexon.co.uk

MC00085: Detailed Level Impact Assessment of P157

Please provide responses to the following questions:

Would the Proposed Modification, as outlined in the attached Requirements Specification, impact your organisation. **Yes, in terms of business impact and cost. Very little in terms of impact on actual systems and procedures.**

2. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required:

It will be a business impact and as such may cost us money in terms of both Supplier Charges, and administrative effort. It is not possible to predict the amounts (see 3. below). Actual implementation could be achieved within 3 months.

3. Any other comments: **We believe that the re-distribution rules as proposed in both the Proposed and Alternate Modifications may produce anomalies in operation and result in windfall gains and losses. There is therefore an uncertainty and variability about the net amounts of supplier charges, which the modification sought to address. We do not believe that this mod as it stands produces the effects intended, or meets the BSC Objectives in terms of Promoting Competition or improving Accuracy/Efficiency.**

Name: **Sue Macklin**

BCA/PACA/CID Owner*

Organisation: **Scottish and Southern Energy; Southern Electric; Keadby Generation Ltd; and SSE Energy Supply Ltd.**

Date: **31st August 2004**

*Please delete as appropriate