

Responses from P139 Draft Report Consultation

Consultation issued 17 December 2003

Representations were received from the following parties:

No	Company	File Number	No. BSC Parties Represented	No. Non-Parties Represented
1.	National Grid Transco	P139_MR_001	1	0
2.	EDF Trading Ltd	P139_MR_002	2	0
3.	British Gas Trading	P139_MR_003	1	0
4.	Aquila Networks Plc	P139_MR_004	1	0
5.	YEDL NEDL	P139_MR_005	2	0
6.	EDF Energy	P139_MR_006	9	1
7.	Scottish and Southern Energy	P139_MR_007	5	0
8.	Powergen	P139_MR_008	14	0
9.	Scottish Power UK Plc	P139_MR_009	6	0
10.				

P139_MR_001 – National Grid Transco

Respondent:	<i>National Grid Transco</i>
No. of BSC Parties Represented	
BSC Parties Represented	<i>National Grid</i>
No. of Non BSC Parties Represented	
Non BSC Parties represented	
Role of Respondent	<i>BSC Party</i>

1.1	Question	Response	Rationale
1.	Do you agree with the Panel’s views on P139 and the provisional recommendation to the Authority contained in the draft Modification Report that P139 should be made? <i>Please give rationale.</i>	Yes	We believe that the Proposed Modification facilitates the achievement of applicable objective c) promoting effective competition in the generation and supply of electricity by allowing Interconnector Parties to form trading units in the same way as other classes of user who are electrically close.
2.	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? <i>Please give rationale.</i>	Yes	
3.	Do you agree with the Panel’s provisional recommendation concerning the Implementation Date for P139? <i>Please give rationale.</i>	Yes	
4.	Are there any further comments on P139 that you wish to make?	Yes	We note references to Transmission Company BSUoS charges in section 3.3.2 of the report. In accordance with section 9.3 of The Statement of the Use of System Charging Methodology, BM Units that are registered in Trading Units are charged BSUoS charges on a net Trading Unit basis. We would like to re-affirm that if this modification is made then this will apply to Interconnector BM Units.

P139_MR_002 – EDF Trading Ltd

Respondent:	<i>Name Steve Drummond for EdF Trading Ltd and EdF (Generation)</i>
No. of BSC Parties Represented	2
BSC Parties Represented	<i>EdF Trading Ltd and EdF (Generation)</i>
No. of Non BSC Parties Represented	None
Non BSC Parties represented	<i>N/A</i>
Role of Respondent	<i>Trader/Generator</i>

1.2	Question	Response	Rationale
1.	Do you agree with the Panel's views on P139 and the provisional recommendation to the Authority contained in the draft Modification Report that P139 should be made? <i>Please give rationale.</i>	Yes	It will remove an anomaly and allow Interconnector Users the same ability to form trading units as other Users in E&W albeit limited to Interconnector Users only at a particular Interconnector.
2.	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? <i>Please give rationale.</i>	Yes	
3.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P139? <i>Please give rationale.</i>	Yes	
4.	Are there any further comments on P139 that you wish to make?	No	



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Our Ref.
Your Ref.
2 January 2004

Dear Sirs,

Re: Modification Proposal P139 – Removal of Trading Unit restriction on Interconnector Users

Thank you for the opportunity of responding to this draft modification report considering Modification Proposal P139. British Gas Trading (BGT) does not agree with the Panel's provisional recommendation that the Modification Proposal should be made.

The analysis undertaken during the Assessment phase illustrated that the main benefit of Trading Unit status for Interconnector Users would be via a reduction in their BSUoS liability. Whilst BGT note the inconsistent treatment of Interconnector Users with regard to BSUoS charging BGT do not believe the BSC is the correct area to be addressing this issue. BGT believe the other benefits delivered by the proposal to be negligible and therefore BGT does not believe this modification will better fulfil any of the Applicable BSC Objectives.

BGT concur with the proposed implementation date recommended by the Modification Group and endorsed by the Panel.

If you have any questions regarding this response please contact me 01753 758137.

Yours faithfully

Mark Manley
Contract Manager

P139_MR_004 – Aquila Networks Plc

Good Morning,

Aquila Networks PLC would like to return a response of 'No Comment' to P139 Consultation on Draft Modification Report.

Regards,

Deborah Hayward
Distribution Support Office &
Deregulation Control Group
Aquila Networks plc

P139_MR_005 – YEDL NEDL

Respondent:	<i>Name Marina Blackburn</i>
No. of BSC Parties Represented	2
BSC Parties Represented	YEDL NEDL
No. of Non BSC Parties Represented	
Non BSC Parties represented	<i>Please list all non BSC Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent	<i>PARTY AGENT</i>

	Question	Response	Rationale
5.	Do you agree with the Panel's views on P139 and the provisional recommendation to the Authority contained in the draft Modification Report that P139 should be made? <i>Please give rationale.</i>		This appears to have no impact on our systems therefore I have no opinion as to whether I agree with the panels views on P139.
6.	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? <i>Please give rationale.</i>	Yes / No	N/A
7.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P139? <i>Please give rationale.</i>	Yes / No	N/A
8.	Are there any further comments on P139 that you wish to make?	Yes / No	N/A

P139_MR_006 – EDF Energy

Respondent:	EDF Energy
No. of BSC Parties Represented	9
BSC Parties Represented	EDF Energy plc, London Electricity plc, Jade Power Generation Ltd, Sutton Bridge Power Ltd, West Burton Power, London Power Networks plc, EPN Distribution Ltd, Seeboard Power Networks plc, Seeboard Energy Ltd,
No. of Non BSC Parties Represented	1 (this is a BSC Party Agent)
Non BSC Parties represented	ECS Metering & Data Services
Role of Respondent	Supplier / Generator / Party Agent / Distribution Business

1.3	Question	Response	Rationale
1.	Do you agree with the Panel's views on P139 and the provisional recommendation to the Authority contained in the draft Modification Report that P139 should be made? <i>Please give rationale.</i>	Yes	EDF Energy believes that P139 better facilitates the achievement of Applicable BSC Objective (c) "Promoting effective competition..." By allowing interconnectors to form multiple BM Unit Trading Units would remove the discrimination due to the financial burden currently levied upon them and also allows interconnector users to have the same opportunities other users have available with Trading Units. This would facilitate more effective and efficient competition in the market. EDF Energy therefore agrees with the Panel's recommendations within the report that the modification should be implemented.
2.	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? <i>Please give rationale.</i>	Yes	EDF Energy agrees with the Panel's view that the appropriate changes have been made to Section K of the BSC and the new legal text addresses the issues identified in the modification proposal.
3.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P139? <i>Please give rationale.</i>	Yes	EDF Energy agrees with the Panels view on the implementation date for P139. A 14-week lead time will allow all document and process changes sufficient time to be approved.
4.	Are there any further comments on P139 that you wish to make?	No	

P139_MR_007 – Scottish and Southern Energy

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

In relation to the four questions contained within your note of 17th December 2003, and the associated Modification Report for P139, we have the following comments to make:-

Q1 Do you agree with the Panel's views on P139 and the provisional recommendation to the Authority contained in the draft Modification Report that P139 should be made? Please give rationale.

Yes, we agree with the proposed BSC Panel recommendation to the Authority that Modification Proposal P139 should be made for the reasons we outlined in our response to the Assessment Consultation associated with this P139 Modification Proposal.

Q2 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 would appear to do so.

Q3 Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P139? Please give rationale.

If the Modification Proposal P139 is approved, we agree with the proposed BSC Panel recommendation on the timing for the Implementation Date, as outlined in the Modification Report.

Q4 Are there any further comments on P139 that you wish to make?

Nothing further at this time.

Regards

Garth Graham
Scottish and Southern plc

P139_MR_008 – Powergen

Respondent:	Powergen
No. of BSC Parties Represented	14
BSC Parties Represented	Powergen UK plc, Powergen Retail Limited, Cottam Development Centre Limited, TXU Europe Drakelow Limited, TXU Europe Ironbridge Limited, TXU Europe 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 Limited
No. of Non BSC Parties Represented	-
Non BSC Parties represented	-
Role of Respondent	Supplier, Generator, Trader & Exemptable Generator.

1.4	Question	Response	Rationale
1.	Do you agree with the Panel’s views on P139 and the provisional recommendation to the Authority contained in the draft Modification Report that P139 should be made? <i>Please give rationale.</i>	No	<p>We have sympathy with the French Interconnector being treated as Trading Unit as electrically it is essentially one connection point to the transmission system. However, this proposal also includes the Scottish Interconnector, which consists of two connections to the transmission system some 80km apart as the crow flies. Allowing Trading Unit status for connections so electrically distant from each other grossly distorts the intended use of Trading Units which was to facilitate net trading for generators with on-site demand.</p> <p>This proposal will create discrimination in favour of generation connected in Scotland and against transmission-connected generation in England & Wales, which will still be subject to gross charging for every connection to the transmission system. In this respect it distorts competition in England & Wales contrary to objective c of the BSC.</p> <p>The Panel may not see this as a problem if the implementation of BETTA removes the Scottish interconnector. However, discrimination will occur up to the implementation of BETTA and the same distortion in the charging arrangements would persist for similar future interconnections. Additionally, the</p>

1.4	Question	Response	Rationale
			precedent will have been set which removes the requirement for trading units to be formed in accordance with their electrical interaction with the transmission system.
2.	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? <i>Please give rationale.</i>	No	The legal text goes further than addressing the defect. It creates additional discrimination.
3.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P139? <i>Please give rationale.</i>	No	
4.	Are there any further comments on P139 that you wish to make?	No	

P139_MR_009 – Scottish Power UK Plc

Respondent:	John W Russell (SAIC Ltd)
No. of BSC Parties Represented	6
BSC Parties Represented	Scottish Power UK plc; ScottishPower Energy Management Ltd.; ScottishPower Generation Ltd; ScottishPower Energy Retail Ltd.; SP Transmission Ltd; SP Manweb plc.
No. of Non BSC Parties Represented	0
Non BSC Parties represented	
Role of Respondent	Supplier / Generator / Trader / Consolidator / Exemptable Generator / Party Agent

1.5	Question	Response	Rationale
1.	Do you agree with the Panel's views on P139 and the provisional recommendation to the Authority contained in the draft Modification Report that P139 should be made? <i>Please give rationale.</i>	Yes	ScottishPower agrees with the Panel's views on P139 and its provisional recommendation to the Authority that the modification should be made. Implementation of P139 will remove a source of discrimination, provide Interconnector Users with trading opportunities equivalent to those enjoyed by other categories of trading party and better meet the applicable BSC Objectives. <i>1.6</i>
2.	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? <i>Please give rationale.</i>	Yes	ScottishPower agrees that the legal drafting correctly addresses the issue which was identified in the modification proposal.
3.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P139? <i>Please give rationale.</i>	Yes	ScottishPower agrees that the proposed implementation date is satisfactory.
4.	Are there any further comments on P139 that you wish to make?	No	