

P139 TRANSMISSION COMPANY ANALYSIS AND IMPACT ASSESSMENT – RESPONSE PRO-FORMA

In accordance with paragraph F 2.8 of the Code, please respond to the following questions concerning P139 (including the rationale for each response):

Q	Question	Response
1	Please outline any impact of the Proposed Modification on the ability of the Transmission Company to discharge its obligations efficiently under the Transmission Licence and on its ability to operate an efficient, economical and co-ordinated transmission system.	We do not believe that the proposed modification has any impact on our ability to discharge our obligations under the Transmission Licence.
2	Please outline the views and rationale of the Transmission Company as to whether the Proposed Modification would better facilitate achievement of the Applicable BSC Objectives.	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.
3	Please outline the impact of the Proposed Modification on the computer systems and processes of the Transmission Company, including details of any changes to such systems and processes that would be required as a result of the implementation of the Proposed Modification.	Based on the assumption that the Trading Unit Data for the new class of Trading Units is submitted in the same format and via the same information flow as is used for existing Trading Units ie. the CRA I020, we believe that there would be limited impact on our systems and processes as a result of this proposed modification.
4	Please provide an estimate of the development, capital and operating costs (broken down in reasonable detail) which the Transmission Company anticipates that it would incur in, and as a result of, implementing the Proposed Modification.	Minimal costs have been identified as a result of implementing this proposed modification.
5	Please provide details of any consequential changes to Core Industry Documents that would be required as a result of the implementation of the Proposed Modification.	None identified.
6	Any other comments on the Proposed Modification.	We note references to Transmission Company charges (specifically BSUoS and TNUoS) in the consultation document. We believe that it is not appropriate to consider these issues when assessing whether the proposed modification better facilitates the applicable BSC objectives, as Transmission Company charges are outside of the vires of the BSC. However, we would like to highlight that currently, in accordance with section 9.3 of The Statement of the Use of System Charging Methodology, BM Units that are registered in Trading Units will be charged BSUoS charges on a net

		Trading Unit basis. Thus, if this modification is made, this will apply to Interconnector BMU's. An initial analysis of BSUoS charges from 2002/03 indicates that over an annual period, this modification could potentially reduce Interconnector BMU's share of BSUoS charges by approximately £1M (as the charging base will be reduced), and this will be socialised among all users.
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Please send your response by **5pm on Wednesday 12 November 2003** to modifications@elexon.co.uk. Any queries regarding the analysis should be addressed to Tom Bowcutt on 0207 380 4309 or email address thomas.bowcutt@elexon.co.uk.