

## **ASSESSMENT REPORT for Modification Proposal P133**

### **Facility to permit BSCCo to undertake the role of the Profile Administrator**

Prepared by: P133 Modification Group

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This document has been distributed in accordance with Section F2.1.10<sup>1</sup> of the Balancing and Settlement Code.

#### **RECOMMENDATIONS**

The P133 Modification Group invites the BSC Panel to:

- **AGREE that the Alternative Modification P133 should be made;**
- **AGREE that the Proposed Modification P133 should not be made;**
- **AGREE a provisional Implementation Date for the Alternative Modification P133 of 13 weeks after the Authority's decision;**
- **In the event that the Authority determines that the Proposed Modification P133 should be made, AGREE an Implementation Date of 13 weeks after the Authority decision;**
- **AGREE that Modification Proposal P133 be submitted to the Report Phase; and**
- **AGREE that the draft Modification Report be issued for consultation and submitted to the Panel Meeting on 9 October 2003.**

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<sup>1</sup> The current version of the Balancing and Settlement Code (the 'Code') can be found at [www.elexon.co.uk/ta/bscres\\_docs/bsc\\_code.html](http://www.elexon.co.uk/ta/bscres_docs/bsc_code.html)

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### SUMMARY OF IMPACTED PARTIES AND DOCUMENTS

As far as BSCCo has been able to assess the following parties/documents have been identified as being potentially impacted by Modification Proposal P133.

Parties	Sections of the BSC	Code Subsidiary Documents
Suppliers <input type="checkbox"/>	A <input type="checkbox"/>	BSC Procedures <input type="checkbox"/>
Generators <input type="checkbox"/>	B <input type="checkbox"/>	Codes of Practice <input type="checkbox"/>
Licence Exemptable Generators <input type="checkbox"/>	C <input checked="" type="checkbox"/>	BSC Service Descriptions <input type="checkbox"/>
Transmission Company <input type="checkbox"/>	D <input type="checkbox"/>	Service Lines <input type="checkbox"/>
Interconnector <input type="checkbox"/>	E <input checked="" type="checkbox"/>	Data Catalogues <input type="checkbox"/>
Distribution System Operators <input type="checkbox"/>	F <input type="checkbox"/>	Communication Requirements Documents <input type="checkbox"/>
<b>Party Agents</b>		
Data Aggregators <input type="checkbox"/>	G <input type="checkbox"/>	Reporting Catalogue <input type="checkbox"/>
Data Collectors <input type="checkbox"/>	H <input type="checkbox"/>	MIDS <input type="checkbox"/>
Meter Operator Agents <input type="checkbox"/>	J <input type="checkbox"/>	<b>Core Industry Documents</b>
ECVNA <input type="checkbox"/>	K <input type="checkbox"/>	Grid Code <input type="checkbox"/>
MVRNA <input type="checkbox"/>	L <input type="checkbox"/>	Supplemental Agreements <input type="checkbox"/>
<b>BSC Agents</b>		
SAA <input type="checkbox"/>	M <input type="checkbox"/>	Ancillary Services Agreements <input type="checkbox"/>
FAA <input type="checkbox"/>	N <input type="checkbox"/>	Master Registration Agreement <input type="checkbox"/>
BMRA <input type="checkbox"/>	O <input type="checkbox"/>	Data Transfer Services Agreement <input type="checkbox"/>
ECVAA <input type="checkbox"/>	P <input type="checkbox"/>	British Grid Systems Agreement <input type="checkbox"/>
CDCA <input type="checkbox"/>	Q <input type="checkbox"/>	Use of Interconnector Agreement <input type="checkbox"/>
TAA <input type="checkbox"/>	R <input type="checkbox"/>	Settlement Agreement for Scotland <input type="checkbox"/>
CRA <input type="checkbox"/>	S <input checked="" type="checkbox"/>	Distribution Codes <input type="checkbox"/>
Teleswitch Agent <input type="checkbox"/>	T <input type="checkbox"/>	Distribution Use of System Agreements <input type="checkbox"/>
SVAA <input type="checkbox"/>	U <input type="checkbox"/>	Distribution Connection Agreements <input type="checkbox"/>
BSC Auditor <input type="checkbox"/>	V <input type="checkbox"/>	<b>BSCCo</b>
Profile Administrator <input checked="" type="checkbox"/>	W <input type="checkbox"/>	Internal Working Procedures <input type="checkbox"/>
Certification Agent <input type="checkbox"/>	X <input checked="" type="checkbox"/>	<b>Other Documents</b>
MIDP <input type="checkbox"/>		Transmission Licence <input type="checkbox"/>
TFLA <input type="checkbox"/>		
<b>Other Agents</b>		
SMRA <input type="checkbox"/>		
Data Transmission Provider <input type="checkbox"/>		

X = Identified in Report for last Procedure  
 N = Newly identified in this Report

<b>Estimated cost for progressing P133 through Modification Procedures</b>	<b>£ 4,000 + 40 ELEXON man days</b>
<b>Cost of implementing Proposed Modification:</b>	
Change specific	£0
Operational/maintenance	£0
<b>Total:</b>	<b>£0 + 5 ELEXON man days</b>

# **1 DESCRIPTION OF PROPOSED MODIFICATION AND ASSESSMENT AGAINST THE APPLICABLE BSC OBJECTIVES**

## **1.1 Modification Proposal**

The Profile Administrator is currently defined as a BSC Agent in Section E of the Balancing and Settlement Code (the Code). As such, the role of the Profile Administrator cannot be undertaken by any Party, nor is it obvious in the Code, that the role can be undertaken by BSCCo or any of its subsidiary companies.

The role of the Profile Administrator is currently being undertaken by Electricity Association Services Limited (EASL), appointed by BSCCo. EASL had informally informed ELEXON that as a result of a restructuring process it was planning to undertake, it intended to cease acting as Profile Administrator at some point during 2003. Under the terms of the agreement with EASL, a formal notice period of 6 months is required to be provided in writing to BSCCo as well as up to a further 12 months of agreed exit management services, if required to do so by BSCCo. This informal contact between EASL and BSCCo did not constitute a formal notice from EASL under the terms of its contract as Profile Administrator. As a consequence of this informal approach, BSCCo believed that, unless swiftly remedied, a serious and credible threat to the quality of data entering Settlement would exist, as it would be difficult to procure a service "off-the-shelf" from an organisation that would be sufficiently independent of Trading Parties and have the relevant expertise to commence service provision quickly.

The data provided by the Profile Administrator is an integral part of the Settlement system. EASL's informally stated intention to cease providing the service could have meant that it would not have been possible to procure, at a reasonable cost, and in a timely manner, an alternative independent service provider with the relevant expertise to undertake the role of the Profile Administrator. Notwithstanding any contractual commitments, an issue existed in that if no service was in place to provide the relevant analysis and data, BSCCo would be in breach of its obligations under the Code and the Settlement system might be compromised.

Modification Proposal P133 (P133) is an "enabling" Modification Proposal, intended to provide flexibility to BSCCo in the way in which it is able to secure the provision of the services currently undertaken by the Profile Administrator ("the Profile Administrator Services"). Without adversely affecting Settlement, it allows BSCCo, or any of its subsidiary companies, to become responsible for the provision of the Profile Administration Services in the event that a commercial decision to do so were made by the board of BSCCo.

P133 was raised on behalf of the Balancing and Settlement Code Panel ('the Panel') on the recommendation of BSCCo following its June 2003 meeting. An initial written assessment was considered by the Panel meeting on 10 July 2003 and the Panel submitted P133 to the Assessment Procedure to be undertaken by a new Modification Group ('the Group'). The Group was formed from members of the existing Volume Allocation Standing Modification Group and the Governance Standing Modification Group. Further details of the Group can be found in Annex 2.

Two meetings of the Group were organised during the Assessment Procedure for P133, (17 July 2003 and 20 August 2003) with further correspondence issued by electronic mail. The Group issued a consultation document based on the discussions and views of the Group at the initial meeting. The second meeting of the Group agreed a provisional recommendation that the Proposed Modification should not be made. Furthermore there existed an Alternative Modification that when compared with the Proposed Modification better facilitated the achievement of the Applicable BSC Objectives.

## 1.2 Proposed Modification

The Proposed Modification P133 allows BSCCo, or one of its subsidiary companies, to provide the services currently undertaken by the Profile Administrator as described Section S of the Code with respect to England and Wales.

## 1.3 Issues raised by the Proposed Modification

- **Formal Notice** – At the time P133 was raised, no formal notification from EASL of the desire to terminate its contract with the BSCCo. On 22 August 2003 formal notification, under the terms of the Profile Administrator contract was received and BSCCo are currently in discussions about the exercising of this notice period and the provision of exit management services.
- **Market Testing of the Profile Administrator Role** – At the time of drafting P133 it was not possible to identify the quantity nor quality of companies that may be interested in undertaking the role of Profile Administrator. Outside of the Modification Procedures, BSCCo initiated a market testing exercise to determine whether there are companies who are willing to, and capable of providing the service of Profile Administrator. The market testing exercise is not yet finalised, however it is possible to state that there is an interest from potential service providers to perform the Profile Administration Services. There is a risk however that it will be impossible to procure a capable and cost beneficial service provider within the restricted timescale.

## 1.4 Assessment of whether the Proposed Modification will better facilitate the Applicable BSC Objectives

The Group assessed whether the Proposed Modification better facilitated the achievement of the Applicable BSC Objectives and in so doing took due account of the views of the consultation respondents.

The Group believed that P133 could introduce efficiencies into the balancing and settlement arrangements and therefore better facilitate the achievement of Applicable BSC Objective (c). The Group however discussed the effect on both transparency within the balancing and settlement arrangements and the costs of those arrangements. In considering whether there would be any cost saving if BSCCo were to provide the Profile Administrator services, the Group believed that were savings to be identified, this would introduce lower costs of entry to the market and hence would better facilitate Applicable BSC Objective (c). The Group also recognised that such detailed cost analysis may not be possible without formally undertaking a due diligence exercise on the relevant part of EASL's business. The Group also recognised that such analysis also went beyond the scope of the Proposed Modification which was simply to allow, but not compel, BSCCo to provide the Profile Administrator services.

The Group also believed there may be a loss of transparency in the process in the event that a regular re-procurement of the Profile Administration Services is not undertaken by BSCCo. The Group noted therefore that the most cost effective service provider might not always be undertaking the Profile Administrator role. If this were to be the case, then this would provide further evidence that Applicable BSC Objective (c) may not be better facilitated by P133.

The Group concluded that although the efficiency of the balancing and settlement arrangements may be increased by the introduction of P133, this would be outweighed by the negative effects on competition in the generation and supply of electricity. The Group however also concluded that these concerns could be mitigated through a different approach and therefore an Alternative Modification was developed.

## **1.5 Modification Group's cost benefit analysis of Proposed Modification**

The Modification Group noted that the costs for implementing P133 were solely related to making the changes to the Code and that other costs would be incurred as a consequence of BSCCo's Board of directors decision to provide the Profile Administrator Services.

These consequential costs were therefore not quantifiable during the assessment of P133 and as such the Modification Group provided no additional cost benefit analysis over and above their discussions of Applicable BSC Objectives.

## **1.6 Alternative Modification**

The Group considered whether there existed an Alternative Modification that, when compared with the Proposed Modification, would better facilitate the achievement of the Applicable BSC Objectives. In so doing, the Group discussed whether there was any contractual remedy to resolve any lack of notice provided by the incumbent Profile Administrator. The Group however recognised that whatever contractual remedy was in place, this may not ensure that the quality of data entering Settlement was maintained.

The Group considered that, in the event of a crisis arising, where it was unlikely that sufficient notice were to be provided by the incumbent Profile Administrator, it was entirely appropriate for BSCCo to step in as a temporary measure and provide the services. This would be until such a provider of the services could be procured in accordance with Section E of the Code.

The Alternative Modification, seeks to allow BSCCo to provide the Profile Administrator services for a limited period of time (agreed to be one year). This period can be extended by the Panel on an annual basis, in the event that it is not possible to procure an appropriate service provider within that time period. During the period whereby BSCCo undertook the service, BSCCo would seek to procure a new Profile Administrator.

## **1.7 Issues raised by the Alternative Modification**

ELEXON believe that there may exist, as yet unquantifiable, cost savings were they to provide the Profile Administration Services in the event that it was not possible to procure an alternative provider in accordance with Section E. ELEXON believe that any such synergistic savings would be severely curtailed in the event that ELEXON were only permitted to provide the Profile Administration Services for a limited period of time. These have been highlighted by the consultation responses and the discussions of the Modification Group and are covered in more detail later within this document.

## **1.8 Assessment of how the Alternative Modification will better facilitate the Applicable BSC Objectives**

The Group concluded that if BSCCo were to only provide the Profile Administration Services for a limited period of time, whilst the tendering out for that service took place, the concerns expressed in relation to the Proposed Modification could be overcome. Specifically it was the view of the Group that the service would be tendered out to the most cost effective service provider at all times and as a result this would ensure that the costs incurred were the lowest possible. The Group therefore believed that as well as introducing efficiencies into the balancing and settlement arrangements, facilitating Applicable BSC Objective (d), there could be lower costs which in turn would lead to lower costs of market participation and hence better facilitating the achievement of the Applicable BSC Objective (c).

## **1.9 Modification Group's cost benefit analysis of Alternative Modification**

In assessing the Alternative Modification, the Group believed that without performing due diligence tests on parts of EASL's business, they were unable to estimate the consequential costs of a decision by

the BSCCo Board of directors to provide the Profile Administrator services. No further cost benefit analysis has therefore been performed.

## **2 RATIONALE FOR MODIFICATION GROUP'S RECOMMENDATIONS TO THE PANEL**

As highlighted in section's 1.4 and 1.8 of this report, the Group determined that:

In respect of the Proposed Modification, P133:

- better facilitated the achievement of Applicable BSC Objective (d) in that it introduced efficiency into the balancing and settlement arrangements;
- did not better facilitate the achievement of Applicable BSC Objective (c) in that it may have an adverse effect on competition of generation and supply of electricity; and
- that the lack of achievement of Applicable BSC Objective (c) outweighed any benefit to achievement of Applicable BSC Objective (d).

In respect of the Alternative Modification P133 and when compared to the Proposed Modification P133, the Alternative Modification P133:

- better facilitated the achievement of Applicable BSC Objective (d) by introducing efficiency into the balancing and settlement arrangements; and
- better facilitated the achievement of Applicable BSC Objective (c) by limiting the time period during which BSCCo could be responsible for providing the Profile Administration Services such that there would be little adverse affect on competition.

## **3 IMPACT ON BSC SYSTEMS AND PARTIES**

An assessment has been undertaken in respect of BSC Systems has identified there will be no impact to BSC Systems of enabling BSCCo to provide the Profile Administration services.

### **3.1 BSCCo**

There is a cost of 5 ELEXON man days for both the Proposed Modification and the Alternative Modification. BSCCo, however, recognise that there would be consequential costs were the BSCCo Board to determine it would be appropriate to provide the Profile Administrator services. In particular, and in relation to the Alternative Modification, ELEXON recognise the difficulties expressed by one of the attendees of the Modification Group meeting that stated there may be Transfer of Employment issues and associated costs increases were BSCCo to only provide the Profile Administration Service for short periods of time.

### **3.2 BSC Systems**

No impact to BSC Systems has been identified Parties and Party Agents.

## **4 IMPACT ON CODE AND DOCUMENTATION**

### **4.1 Balancing and Settlement Code**

#### ***Proposed Modification***

The following Sections of the Code would be impacted by the Proposed Modification:

A new paragraph will be required within Section C of the Code to allow BSCCo to provide the Profile Administration Services.

Consequential changes will be required to Section E of the Code to indicate that for the avoidance of doubt the Profile Administration Services could be provided by BSCCo.

A new definition of Profile Administration Services is required to be added to Annex X1 and Annex X2 would require a further change to ensure that references to the Profile Administrator also refer to BSCCo where it is providing Profile Administration Services.

### **Alternative Modification**

The following Sections of the Code would be impacted by the Alternative Modification:

In addition to the changes highlighted above, further changes will be necessary to indicate the limit the time period for which BSCCo can provide the Profile Administration Services and indicate that the Panel would be required to grant any further extension to this time period.

A copy of the legal text for the Proposed Modification and Alternative Modification is given in Annex 1.

## **4.2 Code Subsidiary Documents**

The following BSCPs will require changes:

- BSCP509 – Refers to the Profile Administrator for nominating changes to a number of Market Domain data items;
- BSCP510 – Refers to the Profile Administrator role in the load research process

The Supplier Volume Allocation Agent Service Line may require amendments:

- SSL360 – Refers to the Profile Administrator notifying the SVAA that parties have signed the confidentiality agreement associated with the Technical Deliverables.

All the changes highlighted above would seek to clarify that references to the Profile Administrator would refer to BSCCo in the event that BSCCo were to provide the Profile Administration Services.

## **4.3 BSCCo Memorandum and Articles of Association**

No impact identified.

## **4.4 Impact on Core Industry Documents and supporting arrangements**

No impact identified.

## **5 SUMMARY OF CONSULTATIONS**

	<b>Consultation question</b>	<b>Respondent agrees</b>	<b>Respondent disagrees</b>	<b>Opinion unexpressed</b>
1	Do you believe Proposed Modification P133 better facilitates the achievement of the Applicable BSC Objectives ?	5	2	1
2	Do you believe that failure of the Profile Administrator, or any successor organisation, to provide expected Profile information would pose an unacceptable and significant risk to the quality of data entering Settlement?	6	0	1

3	If BSCCo were to be allowed to provide the services currently undertaken by the Profile Administrator, do you believe such service provision should be time limited in any way, For example whilst the tendering out of the BSC Agent contract took place? Please give rationale	6	0	1
4	Were BSCCo only be allowed to undertake the service for a limited period of time, do you believe that any issues exist that need to be considered by the Modification Group?	6	0	2
5	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?	0	6	2
6	Does P133 raise any issues that you believe have not been identified so far and that should be progressed as pare of the Assessment Procedure?	2	4	2

***Please note that a late revision was received to the P133 consultation response from Scottish Power. This response has been included within Annex 3 but the figures reported in this document have not been amended to reflect this latest view. Please also note that the P133 Modification Group has been unable to assess this revision prior to this report being published.***

## **5.1 Modification Group's summary of the consultation responses**

A total of eight responses (38 Parties and 1 Non Party) were received to the P133 Assessment Procedure consultation.

### ***Q1. Do you believe the Proposed Modification P133 better facilitates the achievement of the Applicable BSC Objectives?***

Five respondents (26 Parties and 1 Non Party) supported the view that the achievement of the Applicable BSC Objectives would be better facilitated by the introduction of P133. 1 respondent (1 Party) provided no comment whilst two respondents (11 Parties) indicated that the Applicable BSC Objectives would not be better facilitated by the introduction of P133.

One respondent (1 Party) expressed no comment.

The views expressed in favour of the Proposed Modification were that:

- The Code is given effect in accordance with its terms;
- The Profile Administrator has an important role to play in ensuring accurate data enters on a continual basis;
- The use of inaccurate data within Settlement does not better facilitate the Applicable BSC Objectives and therefore BSCCo attempting to ensure that accurate data enters Settlement will better facilitate the achievement of the Applicable BSC Objectives; and
- If the quality of data entering Settlement is ensured, the achievement of Applicable BSC Objective (d) will be better facilitated.

The views expressed against the Proposed Modification were that:

- The Modification Proposal does not describe an issue or defect with the "then current version of the Code"; and

- The current arms length split between BSCCo and the Profile Administrator appointed by ELEXON provides some comfort that a level of contract monitoring takes place and that there is transparency in the process.

***Q2. Do you believe that failure of the Profile Administrator, or any successor organisation, to provide expected Profile information would pose an unacceptable risk to the quality of data entering Settlement?***

Six respondents (28 Parties and 1 Non Party) believed that there would be an unacceptable and significant risk posed to the quality of data entering Settlement were there to be a failure of the Profile Administrator or any successor organisation.

Another respondent (9 Parties) indicated that this risk would appear over time and that the exact degree to which this risk would be significant and unacceptable would require further detailed impact assessments on the variations in Profile data that occurred on an annual basis. Without this level of data the respondent indicated it would be difficult to assess.

One respondent (1 Party) provided a no comment response.

The arguments that believed there would be an unacceptable risk to the quality of data entering Settlement provided the following reasons:

- Load Profiling data drives the Settlement system and without the data underpinning load research, the accuracy of Settlement and confidence of Parties would be compromised;
- Shape errors would increase if basic load characteristics and temperature sensitivity changes. The respondent further argued that there will be a gradual increase in inaccuracy of data entering Settlement and believed that it was essential that Profile data is reviewed and updated regularly;
- Profiles shift over time and therefore using old Profiles would not provide the most accurate data; and
- Using the previous year's data in the event that the Profile Administrator was unable to supply will reduce the accuracy and integrity of Settlement.

***Q3 - If BSCCo were to be allowed to provide the services currently undertaken by the Profile Administrator, do you believe such service provision should be time limited in any way, For example whilst the tendering out of the BSC Agent contract took place?***

Six Parties believed that such a provision of the Profile Administration Services should be time limited. Arguments expressed in favour of this approach were that:

- A six month limit should be allowed whilst tenders were sought;
- That a time limited provision to allow BSCCo to undertake the role would allow time for tenders to be sought;
- More comfort would be provided to the industry if BSCCo were to manage a contract with a third party;
- The current arms length split between BSCCo and the Profile Administrator provides some comfort that a level of contract monitoring takes place; and
- A tendering process whilst BSCCo were undertaking the role would provide for a cost efficient service.

Arguments expressed against this approach were:

- The disruption of moving the service twice over a relatively short period of time could increase costs to Parties and jeopardise the supply of the service;

***Q4 - Were BSCCo only be allowed to undertake the service for a limited period of time, do you believe that any issues exist that need to be considered by the Modification Group?***

Six Parties identified issues that existed were BSCCo to provide the Profile Administration services for a limited period of time. These were:

- The relationship between BSCCo and its BSC Agents provides market participants with considerable confidence in the contractual process. This relationship should continue at arms length;
- There is a need to deliver continuity of service and therefore the procurement of the relevant skills needs to be considered. The possibility that no third party can be found to provide the service needs to be consider by the Modification Group;
- There is a recruitment issue with BSCCo only carrying out the service for a limited period of time. The concern was that few people have the relevant experience to undertake the role and it may not be possible to employ these people for a limited period of time; and
- The costs of running and setting up the service must be understood prior to BSCCo undertaking the role.

***Q5 - Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?***

All respondents that expressed an opinion indicated there were no additional solutions to be brought the Group's attention.

***Q6 - Does P133 raise any issues that you believe have not been identified so far and that should be progressed as pare of the Assessment Procedure?***

Two issues were identified by respondents:

- A need to understand exactly what would happen in the event of EASL formally notifying BSCCo of its intention to withdraw services; and
- What issues the BSCCo board would consider before they "make a commercial decision" permitting BSCCo or one of its subsidiaries to provide the service.

## **5.2 Comments and views of the Modification Group**

The Group considered the responses provided to each question in respect of the P133 Assessment Procedure consultation.

***Do you believe the Proposed Modification P133 better facilitates the achievement of the Applicable BSC Objectives?***

The Group noted that the majority of responses believed that the Applicable BSC Objectives were better facilitated and concluded that this probably related to the facilitation of Applicable BSC Objective (d). The Group noted the desire from one respondent that did not support the Proposed Modification relating to the transparency and contract monitoring that would be lost were the Proposed Modification to be made. The Group also noted in particular that some support for the Proposed Modification was conditional on whether or not the arrangements for BSCCo were to be temporary or not.

In response to the comment made by one respondent relating to whether there existed an issue or defect with the current version of the Code, BSCCo confirmed that this had been one of the tests the

Modification Proposal had been subjected to when the Modification Proposal had been raised. The issue or defect with the current version of the Code had been that BSCCo was unable to undertake the service in the event that the Profile Administrator gave insufficient notice of their intention to cease to provide the service.

***Q2. Do you believe that failure of the Profile Administrator, or any successor organisation, to provide expected Profile information would pose an unacceptable risk to the quality of data entering Settlement?***

The Group discussed the responses and noted that the majority of respondents believed that the integrity of Settlement would be undermined by the failure of the accurate Profile data entering Settlement. The Group however felt that on the question of whether this would pose an unacceptable risk to Settlement could not be quantified without further detailed analysis on the variations in Profiling information on an annual basis. The Group also concurred that during the period of assessment for P133 it would not be possible to undertake such detailed impact assessment. BSCCo reported that whilst it may not be possible to undertake this analysis during the remaining time period for which P133 was to be assessed, that anecdotal evidence suggests that significant variations in Profile data do occur. An example of such a noticeable variation has been seen by the introduction of Sunday Trading in England and Wales.

***Q3 - If BSCCo were to be allowed to provide the services currently undertaken by the Profile Administrator, do you believe such service provision should be time limited in any way, For example whilst the tendering out of the BSC Agent contract took place?***

The Group noted the comments of all respondents to the consultation and felt that it would be more appropriate to limit the time period during which BSCCo should be allowed to provide the Profile Administrator services. The Group agreed with the views expressed in favour of the time limitation and discussed the most appropriate time period to be adopted should this form an Alternative Modification. The Group noted that a respondent had suggested a six month limit, but recognised in practical terms the Profile Administrator provides a service on an annual basis. The Group therefore concluded that the maximum period of time BSCCo should be allowed to provide the Profile Administration Services should be one year and that this should be reviewed thereafter on an annual basis by the Panel. The Panel would be allowed to grant a further period during which BSCCo were able to provide the services on the understanding that a tendering process in accordance with Section E of the Code took place during this time.

***Q4 - Were BSCCo only be allowed to undertake the service for a limited period of time, do you believe that any issues exist that need to be considered by the Modification Group?***

The Group noted the responses to the consultation. One attendee at the second Group meeting drew on the recruitment issues identified by one of the respondents. In particular the attendee identified that depending on how the service were to be provided there may exist Transfer of Undertakings Protection of Employment (TUPE) issues. This could be brought about were BSCCo to agree to transfer the employment of certain members of EASL staff to ease the provision of the service. The attendee further observed that there could be additional liabilities to consider during this transfer process that may not be viable were BSCCo to provide the service for a limited period of time.

A member of the Group suggested that this could potentially be overcome by the employment of short term contract staff from the incumbent organisation.

***Q5 - Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered?***

The Group also could not perceive any alternative solutions not already mentioned in either the consultation responses or the discussions of the Group themselves.

***Q6 - Does P133 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure?***

The Group recognised that it would not be possible to attempt to understand the inner workings of an organisation such as EASL.

- Secondly, the Group considered that the commercial decision and the criteria to be adopted was a matter for the BSCCo board to exercise at the appropriate time.

## **6 SUMMARY OF TRANSMISSION COMPANY ANALYSIS**

### **6.1 Analysis**

The Transmission Company indicated that there was no impact to its systems or processes.

A copy of Transmission Company analysis is provided at annex 4.

## **7 SUMMARY OF EXTERNAL ADVICE**

No external advice was commissioned during the Assessment Procedure for P133.

## **8 IMPLEMENTATION APPROACH**

P133 requires changes only to the Code and Code Subsidiary Documents. Given the fact that formal notice has been provided by EASL of their termination of the Profile Administrator contract, and that this notice period will last for a minimum of 6 months plus agreed exit management provisions, the changes to the Code Subsidiary Documents can be changed within a period of 13 elapsed weeks which is consistent with the approach taken for other documentation only changes.

The costs of ensuring the updates to the relevant documents are made are estimated at 5 ELEXON man days.

## **9 DOCUMENT CONTROL**

### **9.1 Authorities**

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Reviewer</b>	<b>Change Reference</b>
0.1	01/09/02	Richard Clarke	P133 Modification Group	

### **9.2 References**

<b>Ref</b>	<b>Document</b>	<b>Owner</b>	<b>Issue date</b>	<b>Version</b>

## ANNEX 1 DRAFT LEGAL TEXT

- Draft Legal Text for the Proposed Modification is included as Annex 1A and attached as a separate document.
- Draft Legal Text for the Alternative Modification is included as Annex 1B and attached as a separate document;

## ANNEX 2 MODIFICATION GROUP DETAILS

It should be noted that due to other commitments, a limited number of Modification Group members were able to attend each meeting of the P133 Modification Group. It should be noted however that an electronic distribution list was created for correspondence amongst the group; this was used to circulate comments on both the consultation document and the final versions of the Assessment Report to ensure that the entire Group were fully consulted on the Group's decision.

Member	Organisation	Present
Graham Webb	ELEXON (Chairman)	√
Alan Bender	ELEXON (Chairman)	√
Richard Clarke	ELEXON (Lead Analyst)	√
Clare Walsh	BGT	
Joanne Ellis	Cornwall Consulting	
Man Kwong Liu	Scottish Power	√
Clare Talbot	National Grid	
Terry Ballard	Innogy	√
John Sykes	Scottish and Southern	
Phil Russell	TXU	

Attendee	Organisation	Present
Paul O'Donovan	Ofgem	√
Kathryn Coffin	ELEXON Analyst	√
Martin Mate	British Energy	√
Russell Loasby	Powergen	√

## ANNEX 3 CONSULTATION RESPONSES

### Responses from P133 Assessment Consultation

Consultation issued 1 August 2003

Representations were received from the following parties:

<b>No</b>	<b>Company</b>	<b>File Number</b>	<b>No. BSC Parties Represented</b>	<b>No. Non-Parties Represented</b>
1.	Innogy	P133_ASS_001	9	0
2.	BSCCo	P133_ASS_002	0	1
3.	Aquila Networks	P133_ASS_003	1	0
4.	Scottish Power	P133_ASS_004	6	0
5.	Powergen	P133_ASS_005	15	0
6.	Scottish and Southern	P133_ASS_006	4	0
7.	YEDL/NEDL	P133_ASS_007	2	0
8.	British Gas Trading (late response)	P133_ASS_008	1	0
9.	Scottish Power (Late revision to their earlier response)	P133_ASS_008	n/a	n/a



**P133\_ASS\_001 – Innogy**

<b>Respondent:</b>	<i>Terry Ballard</i>
<b>No. of BSC Parties Represented</b>	<i>9</i>
<b>BSC Parties Represented</b>	<i>Innogy, Innogy Cogen Ltd, Innogy Cogen Trading Ltd, Npower Ltd, Npower Direct Ltd, Npower Northern Ltd, Npower Northern Supply Ltd, Npower Yorkshire Ltd, Npower Yorkshire Supply Ltd</i>
<b>No. of Non BSC Parties Represented</b>	<i>None</i>
<b>Non BSC Parties represented</b>	
<b>Role of Respondent</b>	<i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state)</i>

<b>Q</b>	<b>Question</b>	<b>Response</b>	<b>Rationale</b>
1.	Do you believe Proposed Modification P133 better facilitates the achievement of the Applicable BSC Objectives ? Please give rationale and state objective(s)	No	The modification does not describe an issue or defect relating to 'the then current version of the Code'. Therefore is not possible to assess whether it better facilitates the achievement of the Applicable Objectives
2.	Do you believe that failure of the Profile Administrator, or any successor organisation, to provide expected Profile information would pose an unacceptable and significant risk to the quality of data entering Settlement? Please give rationale	Yes / No	We agree that over time the failure of the Profile Administrator could pose a risk to the quality of data entering settlement. The nature and speed of this deterioration is not quantifiable without an impact assessment
3.	If BSCCo were to be allowed to provide the services currently undertaken by the Profile Administrator, do you believe such service provision should be time limited in any way, For example whilst the tendering out of the BSC Agent contract took place? Please give rationale	Yes	The BSCCo should be limited to a period of six months whilst tenders are sought. In the event that a suitable tender is not forthcoming, a second modification should be raised to enable BSCCo to take direct responsibility for the role of Profile Administrator.

<b>Q</b>	<b>Question</b>	<b>Response</b>	<b>Rationale</b>
4.	Were BSCCo only be allowed to undertake the service for a limited period of time, do you believe that any issues exist that need to be considered by the Modification Group? Please give rationale	Yes	The relationship between BSCCo and its Agents provides market participants with considerable confidence in the contractual process. The relationship between principal and agent should therefore continue be at arm's length. This relationship should continue whilst BSCCo is temporarily managing this process. To provide confidence in the tender process, BSCCo should not tender to provide the longer-term service.
5.	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale	No	
6.	Does P133 raise any issues that you believe have not been identified so far and that should be progressed as pare of the Assessment Procedure? Please give rationale	No	
7.	Are there any further comments on P133 that you wish to make?	No	

**P133\_ASS\_002 – BSCCo**

<b>Respondent:</b>	<i>Name BSCCo/Brian Levine</i>
<b>No. of BSC Parties Represented</b>	<i>BSCCo</i>
<b>BSC Parties Represented</b>	<i>Please list all BSC Parties responding on behalf of (including the respondent company if relevant).</i>
<b>No. of Non BSC Parties Represented</b>	
<b>Non BSC Parties represented</b>	<i>Please list all non BSC Parties responding on behalf of (including the respondent company if relevant).</i>
<b>Role of Respondent</b>	<i>BSCCo</i>

<b>Q</b>	<b>Question</b>	<b>Response</b>	<b>Rationale</b>
1.	Do you believe Proposed Modification P133 better facilitates the achievement of the Applicable BSC Objectives ? Please give rationale and state objective(s)	Yes	Rationale: in order to help secure the load profiling service Objective: that the Code is given effect fully and promptly and in accordance with its terms.
2.	Do you believe that failure of the Profile Administrator, or any successor organisation, to provide expected Profile information would pose an unacceptable and significant risk to the quality of data entering Settlement? Please give rationale	Yes	ELEXON believes that maintaining a load profiling service is important both to the continued operation of NETA and in anticipation of the transition to BETTA. Load profile data drives the Settlement system and without the underpinning load research the accuracy of Settlement and the confidence of Parties would be compromised.
3.	If BSCCo were to be allowed to provide the services currently undertaken by the Profile Administrator, do you believe such service provision should be time limited in any way, for example whilst the tendering out of the BSC Agent contract took place? Please give rationale	No	It has been suggested that if ELEXON were to take on the load profiling service it should be for only a short temporary period before handing it over to another entity. The disruption of moving the service twice over a short period (and the management and contractual issues that would arise) could increase costs to Parties and/or jeopardise the supply of the service itself. ELEXON believes that if the period for which ELEXON (or any other entity) might take on the load profiling service is to be limited, the period should cover at least the implementation of BETTA plus a year's worth of profiles thereafter.

<b>Q</b>	<b>Question</b>	<b>Response</b>	<b>Rationale</b>
4.	Were BSCCo only allowed to undertake the service for a limited period of time, do you believe that any issues exist that need to be considered by the Modification Group? Please give rationale	Yes	See answer to 3 above.
5.	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale	No	
6.	Does P133 raise any issues that you believe have not been identified so far and that should be progressed as pare of the Assessment Procedure? Please give rationale	No	
7.	Are there any further comments on P133 that you wish to make?	No	

**P133\_ASS\_003 – Aquila Networks**

Please find that Aquila Networks Plc response to P133 Assessment Consultation is 'No Comment'.

regards  
Rachael Gardener

Deregulation Control Group &  
Distribution Support Office  
AQUILA NETWORKS

**P133\_ASS\_004 – Scottish Power**

<b>Respondent:</b>	Man Kwong Liu (SAIC Ltd)
<b>No. of BSC Parties Represented</b>	6
<b>BSC Parties Represented</b>	<i>Please list all BSC Parties responding on behalf of (including the respondent company if relevant).</i> Scottish Power UK plc; ScottishPower Energy Trading Ltd.; ScottishPower Generation Ltd; ScottishPower Energy Retail Ltd.; SP Transmission Ltd; SP Manweb plc.
<b>No. of Non BSC Parties Represented</b>	0
<b>Non BSC Parties represented</b>	<i>Please list all non BSC Parties responding on behalf of (including the respondent company if relevant).</i>
<b>Role of Respondent</b>	<i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state)</i> Supplier / Generator / Trader / Consolidator / Exemptable Generator / Party Agent

<b>Q</b>	<b>Question</b>	<b>Response</b>	<b>Rationale</b>
1.	Do you believe Proposed Modification P133 better facilitates the achievement of the Applicable BSC Objectives ? Please give rationale and state objective(s)	<b>Yes</b>	We believe that in the event when there is insufficient time to find an alternative service provider for PA, BSCCo should be allowed to step in to cover this role, such that quality and accuracy of settlement data is not compromised. This would better facilitate the achievement of the Applicable BSC Objective (d) - Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.

Q	Question	Response	Rationale
			<p>However, this is only under the proviso that this role is only performed on a temporary basis by BSCCo, while a permanent replacement for PA is found via a tendering process. This is due to the fact that under the current process of having PA as a BSC agent with BSCCo managing the contract and monitoring its performance gives the industry more comfort that profiles are proper and appropriate. Otherwise, this would not better facilitates the achievement of the Applicable Objective (c) Promoting effective competition...</p> <p>Also, without a proper tendering process for the service for a permanent PA, the industry would not be satisfied that the best cost effective and efficiency option has been chosen. Therefore, it would not better facilitate the achievement of the Applicable BSC Objective (d).</p>
2.	<p>Do you believe that failure of the Profile Administrator, or any successor organisation, to provide expected Profile information would pose an unacceptable and significant risk to the quality of data entering Settlement? Please give rationale</p>	<b>Yes</b>	<p>We believe that profiles do shift over time. Therefore, using old profiles would not give the most accurate estimates, which could create added errors and imbalance exposure to Parties.</p>
3.	<p>If BSCCo were to be allowed to provide the services currently undertaken by the Profile Administrator, do you believe such service provision should be time limited in any way, For example whilst the tendering out of the BSC Agent contract took place? Please give rationale</p>	<b>Yes</b>	<p>While BSCCo should be allowed to ensure that there should always be a PA service, the fact that under the current process of having the PA as a BSC agent, with BSCCo managing the contract and monitoring its performance gives the industry more comfort that profiles are proper and appropriate. Otherwise (if this is not time limited), this would not better facilitate the achievement of the Applicable Objective (c) Promoting effective competition...</p> <p>Also, without a proper tendering process for the service for a permanent PA, the industry would not be satisfied that the best cost effective and efficiency option has been chosen. Therefore, it would not better facilitate the achievement of the Applicable BSC Objective (d).</p> <p>We recognise that a specific time limitation built into the modification might lead to the need for repeated modifications when the time limitation expired. To avoid that it would be better to require BSCCo to seek Panel approval to continue carrying out the Profile Administrator role, say every 6 months or having the expiry when the tendering process is complete.</p>

Q	Question	Response	Rationale
4.	Were BSCCo only be allowed to undertake the service for a limited period of time, do you believe that any issues exist that need to be considered by the Modification Group? Please give rationale	<b>Yes</b>	We recognise that there could be a recruitment issue associated with BSCCo only carrying out the role for a limited period of time. Which the Mod Group will need to consider further. The concern is that there may be few people with the right experience and skill set and that they could be persuaded to join an organisation for a temporary period only.
5.	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale	<b>No</b>	Assuming that the Proposed Modification now includes BSCCo's cover as a temporary arrangement, while a permanent BSC PA agent is found in due course.
6.	Does P133 raise any issues that you believe have not been identified so far and that should be progressed as pare of the Assessment Procedure? Please give rationale	<b>No</b>	Apart from those already mentioned above, there are no additional issues.
7.	Are there any further comments on P133 that you wish to make?	<b>Yes</b>	<p>It is suggested that EASL may terminate without sufficient notice. As we believe that any Agent must be required to give sufficient notice under the BSC, before the termination of the service can be agreed, have BSCCo considered the legal implications? BSCCo should at least make it clear to EASL that they would be expected to honour their contractual responsibilities.</p> <p>We agree with the approach that BSCCo should at least try to find an alternative PA service provider, and if one cannot be found BSCCo should provide BSC members with some comfort as to how they would ensure that profiles are accurate and appropriate. There needs to be a degree of independence between those creating the profiles and those checking the profiles, do BSCCo know how this would be addressed if they become PA? Currently, in addition to checking the profiles themselves, BSCCo send them out to a pool of industry experts for review. BSCCo have already expressed concern that this pool of experts appears to be drying up. This suggests that it would be difficult to obtain any sort of independent review of the Profile Administrator's outputs if BSCCo were doing the job themselves.</p> <p>Also, the Mod Group should consider if such a temporary arrangement should extend beyond the possibility of just losing the PA without sufficient</p>

Q	Question	Response	Rationale
			notice, such that the redrafting of the BSC is more generic and applicable for all other BSC Agents.

**P133\_ASS\_005 – Powergen**

<b>Respondent:</b>	Russell Loasby
<b>No. of BSC Parties Represented</b>	15
<b>BSC Parties Represented</b>	Powergen UK plc, Powergen Retail Limited, Diamond Power Generation 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
<b>Role of Respondent</b>	Supplier

<b>Q</b>	<b>Question</b>	<b>Response</b>	<b>Rationale</b>
1.	Do you believe Proposed Modification P133 better facilitates the achievement of the Applicable BSC Objectives ? Please give rationale and state objective(s)	Yes	The Profile Administrator has an important role to play in ensuring that accurate profiles are delivered to the industry on a continual basis. It is therefore prudent to make provision within the BSC, to facilitate the achievement of Applicable BSC Objective (d) 'Promoting efficiency in the implementation and administration of the balancing and settlement arrangements' to allow BSCCo to fulfil this role should the need arise.
2.	Do you believe that failure of the Profile Administrator, or any successor organisation, to provide expected Profile information would pose an unacceptable and significant risk to the quality of data entering Settlement? Please give rationale	Yes	Shape errors would increase if basic load characteristics & temperature sensitivity change. Whilst these changes may occur slowly, there will inevitably be a gradual increase in inaccuracy, so we believe that it is essential that profiles are reviewed and updated regularly.
3.	If BSCCo were to be allowed to provide the services currently undertaken by the Profile Administrator, do you believe such service provision should be time limited in any way, For example whilst the tendering out of the BSC Agent contract took place? Please give rationale	Yes	Yes, the services should be put out to tender periodically. This should have been the case with services currently provided by EASL. Such a tender process contributes to ensuring value for money in any contractual arrangements. Third party provision of Profile Administration Services has advantages in terms of contractual arms length and transparency.

Q	Question	Response	Rationale
4.	Were BSCCo only be allowed to undertake the service for a limited period of time, do you believe that any issues exist that need to be considered by the Modification Group? Please give rationale	Yes	There is an obvious need to deliver continuity in the service provided by the Profile Administrator. Therefore, the procurement of the relevant skills and expertise, as well as systems, needs to be considered. The possibility that no suitable 3 <sup>rd</sup> party agent is found to undertake the role should also be considered.
5.	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale	No	
6.	Does P133 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure? Please give rationale	Yes	Understanding what exactly would happen within EASL once they have formally notified the BSCCo of their intention to withdraw services, and the implications on the six month (and possible further twelve month) period of handover to their replacement. Are they contractually bound to meet with these timescales? Also, what issues will the BSCCo Board consider before they 'make a commercial decision' permitting BSCCo or one of its subsidiary's to fulfil this role, either temporarily or permanently?
7.	Are there any further comments on P133 that you wish to make?	Yes	Whilst we support the principles behind this modification, we strongly believe that the role of the Profile Administrator should be open to third parties via a tender process. We are operating within a competitive environment, and there is no reason why this distinct element should not be subject to the same principles.

**P133\_ASS\_006 – Scottish and Southern**

Dear Sirs,

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

In relation to the seven questions listed in the Consultation Paper, contained within your note of 1st August 2003 concerning Modification Proposal P133, we have the following comments to make:-

**Q1 Do you believe Proposed Modification P133 better facilitates the achievement of the Applicable BSC Objectives? Please give rationale and state objective(s)**

Yes. Without the service of a Profile Administrator (irrespective of the contractual situation) there is a risk that the Profiles used in Settlement will be flawed. Given that the use of non flawed Profiles in Settlement is considered compatible with achieving the Applicable BSC Objectives, not having accurate Profiles must not better facilitate the achieving of the Applicable BSC Objectives. Therefore, P133, in seeking to 'secure' the Profile process does better facilitate the achieving of the Applicable BSC Objectives

**Q2 Do you believe that failure of the Profile Administrator, or any successor organisation, to provide expected Profile information would pose an unacceptable and significant risk to the quality of data entering Settlement? Please give rationale**

Yes. For the reasons outlined above and in the Consultation paper.

**Q3 If BSCCo were to be allowed to provide the services currently undertaken by the Profile Administrator, do you believe such service provision should be time limited in any way, For example whilst the tendering out of the BSC Agent contract took place? Please give rationale**

Yes. It should be time limited in order to permit a tendering process to be undertaken.

**Q4 Were BSCCo only be allowed to undertake the service for a limited period of time, do you believe that any issues exist that need to be considered by the Modification Group? Please give rationale**

Yes. The issues outlined in the Consultation paper appear to cover the principle issues that would exist in this situation.

**Q5 Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale**

No. Furthermore, we agree, given the potential impact on the Settlement process, that a 'normal' Modification is the better approach rather than waiting till the event and seeking an 'urgent' Modification.

**Q6 Does P133 raise any issues that you believe have not been identified so far and that should be progressed as part of the Assessment Procedure? Please give rationale**

None at this time.

**Q7 Are there any further comments on P133 that you wish to make?**

Nothing further at this time.

Regards

Garth Graham  
Scottish and Southern plc

**P133\_ASS\_007 – YEDL/NEDL**

<b>Respondent:</b>	<i>Jill Steven</i>
<b>No. of BSC Parties Represented</b>	
<b>BSC Parties Represented</b>	<i>Please list all BSC Parties responding on behalf of (including the respondent company if relevant).</i>
<b>No. of Non BSC Parties Represented</b>	
<b>Non BSC Parties represented</b>	<i>Please list all non BSC Parties responding on behalf of (including the respondent company if relevant).</i>
<b>Role of Respondent</b>	<i>DUoS Billing Manager for NEDL &amp; YEDL</i>

<b>Q</b>	<b>Question</b>	<b>Response</b>	<b>Rationale</b>
1.	Do you believe Proposed Modification P133 better facilitates the achievement of the Applicable BSC Objectives ? Please give rationale and state objective(s)	<del>Yes</del> / No	The current "arms-length" split between BSCCo and the Profile Administrator appointed by ELEXON provides some comfort that a level of contract monitoring takes place and there is transparency in the process.
2.	Do you believe that failure of the Profile Administrator, or any successor organisation, to provide expected Profile information would pose an unacceptable and significant risk to the quality of data entering Settlement? Please give rationale	Yes / <del>No</del>	Failure to provide profile information could introduce more inaccuracies to the Settlement system.
3.	If BSCCo were to be allowed to provide the services currently undertaken by the Profile Administrator, do you believe such service provision should be time limited in any way, For example whilst the tendering out of the BSC Agent contract took place? Please give rationale	Yes / <del>No</del>	See rationale to Question 1

<b>Q</b>	<b>Question</b>	<b>Response</b>	<b>Rationale</b>
4.	Were BSCCo only be allowed to undertake the service for a limited period of time, do you believe that any issues exist that need to be considered by the Modification Group? Please give rationale	Yes / No	
5.	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale	Yes / No	
6.	Does P133 raise any issues that you believe have not been identified so far and that should be progressed as pare of the Assessment Procedure? Please give rationale	Yes / No	
7.	Are there any further comments on P133 that you wish to make?	Yes / No	

**P133\_ASS\_008 – BGT (late response)**

<b>Respondent:</b>	<i>Claire Walsh, BGT</i>
<b>No. of BSC Parties Represented</b>	
<b>BSC Parties Represented</b>	
<b>No. of Non BSC Parties Represented</b>	
<b>Non BSC Parties represented</b>	
<b>Role of Respondent</b>	<i>Supplier</i>

<b>Q</b>	<b>Question</b>	<b>Response</b>	<b>Rationale</b>
1.	Do you believe Proposed Modification P133 better facilitates the achievement of the Applicable BSC Objectives ? Please give rationale and state objective(s)	Yes	MOD P133 better facilitates BSC Objective (d) through the accurate and ongoing maintenance of data provided by a Profile Administrator to maintain the integrity of settlement.
2.	Do you believe that failure of the Profile Administrator, or any successor organisation, to provide expected Profile information would pose an unacceptable and significant risk to the quality of data entering Settlement? Please give rationale	Yes	As documented – should a PA not be procured within a timely manner to ensure a seamless handover from EASL (if indeed it provides the 6 months required notice) to a new Profile Administrator, an alternative is to utilise the previous years data, which reduces the accuracy & integrity of settlement.
3.	If BSCCo were to be allowed to provide the services currently undertaken by the Profile Administrator, do you believe such service provision should be time limited in any way, For example whilst the tendering out of the BSC Agent contract took place? Please give rationale	Yes	Should ELEXON provide a contingency service in the absence of a Profile Administrator, this role should be time limited whilst a tendering process is undertaken for a BSC Agent to fulfil the role, therefore enabling and adding to a competitive tendering framework with the for a cost efficient service.

Q	Question	Response	Rationale
4.	Were BSCCo only be allowed to undertake the service for a limited period of time, do you believe that any issues exist that need to be considered by the Modification Group? Please give rationale	Yes	The cost of the set up and running of such a contingency must be understood and agreed upon from the outset prior to the onset of the role. In addition will this cause barriers to running a concurrent effective tender process?
5.	Do you believe there are any alternative solutions that the Modification Group has not identified and that should be considered? Please give rationale	No	
6.	Does P133 raise any issues that you believe have not been identified so far and that should be progressed as pare of the Assessment Procedure? Please give rationale	No	
7.	Are there any further comments on P133 that you wish to make?	No	As EASL has not yet formally communicated its intention to cease providing the role of the Profile Administrator with the contractual 6-months notice, this Modification is fairly presumptuous and has incurred time, effort and cost. What is the potential that a similar issue with risks may arise and a similar process is required?

### **P133\_ASS\_009 – Scottish Power (late revision of their response)<sup>2</sup>**

**"Further to our previous response to the above, please note that ScottishPower are particularly concerned if there is no potential alternative PA service provider after EASL's termination, that Elexon should be able to provide the service. In the event that the time limit (from the Alternative Mod) places a constraint on Elexon's ability to carry out this role, we would support an extension to whatever timescale is required, such that there is no risk of profiles not being updated for usage by the industry due to the fact that Elexon could not provide the PA service."**

<sup>2</sup> It should be noted that this response was received on the publication date of this Assessment Report. No effect of this response in relation to the statistic reported within this document has been included. The P133 Modification have not had time to review this response prior to the production of this document.

## ANNEX 4 TRANSMISSION COMPANY ANALYSIS

In accordance with paragraph F 2.8 of the Code, please respond to the following questions concerning P133 (including the rationale for each response):

Q	Question	Response
1	Please outline any impact of the Proposed Modification (and, if applicable, any Alternative 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 believe that the implementation of P133 has no impact on the ability of the Transmission Company to discharge its obligations under the Transmission Licence.
2	Please outline the views and rationale of the Transmission Company as to whether the Proposed Modification (and, if applicable, any Alternative Modification) would better facilitate achievement of the Applicable BSC Objectives.	We believe that the modification better facilitates applicable objective d) promoting efficiency in the implementation and administration of the balancing and settlement arrangements as the maintenance of the role of Profile Administrator is a crucial part of the Settlement system.
3	Please outline the impact of the Proposed Modification (and, if applicable, any Alternative 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 (and, if applicable, any Alternative Modification)	There is no direct impact on our systems and processes as a result of the 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 (and, if applicable, any Alternative Modification).	None identified
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 (and, if applicable, any Alternative Modification).	None identified.
6	Any other comments on the Proposed Modification (and Alternative Modification if applicable).	None.

## ANNEX 5 BSC AGENT IMPACT ASSESSMENTS

None commissioned

**ANNEX 6 PARTY IMPACT ASSESSMENTS**

None commissioned

**ANNEX 7 COST BENEFIT ANALYSIS**

None commissioned

**ANNEX 8 CORE INDUSTRY DOCUMENT OWNER IMPACT ASSESSMENTS**

None commissioned

**ANNEX 9 PROPOSED TEXT TO MODIFY BSCCO MEMORANDUM AND ARTICLES OF ASSOCIATION**

No impact

**ANNEX 10 TERMS OF REFERENCE AND REPORT/ANALYSIS OF EXTERNAL CONSULTANTS/ADVISORS**

None commissioned