

Responses from P132 Draft Report Consultation

Consultation issued 22/09/03

Representations were received from the following parties:

No	Company	File Number	No. BSC Parties Represented	No. Non-Parties Represented
1.	Powergen	P132_DR_001	14	0
2.	Aquila Networks	P132_DR_002	1	0
3.	Scottish Power	P132_DR_003	6	0

P132_DR_001 – Powergen

Respondent:	Powergen UK plc
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, Consolidator & Exemptable Generator

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on P132 and the provisional recommendation to the Authority contained in the draft Modification Report that P132 should not be made? <i>Please give rationale.</i>	Yes	<p>It is not possible to assess accurately whether a withdrawing Party is likely to owe money in these circumstances, let alone ascertain the magnitude of cover which should be left. If the withdrawing Party is required to hold credit cover then it is fully covering the risk associated with this inability to forecast accurately the extent of any liabilities. This would present a barrier to exiting the market.</p> <p>Alternatively, the remaining Parties could underwrite the risk (ie as now). This spreads the risk across the Parties who are only exposed if the withdrawing Party ends up owing money <u>and</u> does not honour its debt. It must be borne in mind that these Parties are withdrawing in a controlled manner so we should not automatically assume that they will default.</p>
2.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P132? <i>Please give rationale.</i>	Yes	
3.	Are there any further comments on P132 that you wish to make?	No	

P132_DR_002 – Aquila Networks

Please find that there is no impact to Aquila Networks Plc systems and/or processes.

regards
Rachael Gardener

Deregulation Control Group &
Distribution Support Office
AQUILA NETWORKS

P132_DR_003 – Scottish Power

Respondent:	Name John W Russell (SAIC Ltd)
No. of BSC Parties Represented	6
BSC Parties Represented	<i>Please list all BSC Parties responding on behalf of (including the respondent company if relevant).</i> 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	
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	Supplier / Generator / Trader / Consolidator / Exemptable Generator / Party Agent

Q	Question	Response	Rationale
1.	Do you agree with the Panel's views on P132 and the provisional recommendation to the Authority contained in the draft Modification Report that P132 should not be made? <i>Please give rationale.</i>	Yes	<i>Although we agree in principle with the sentiment behind this modification, we also agree with the argument put forward by SSMG that the modification as currently drafted is not practical.</i>
2.	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P132? <i>Please give rationale.</i>	Yes	<i>Notwithstanding the fact that we disagree with this modification; the implementation date would appear to be appropriate.</i>
3.	Are there any further comments on P132 that you wish to make?	Yes	<i>The materiality estimates for PNE claims are such that "successful" claimants stand to lose significant amounts of their PNE recoveries due to the withdrawal of parties from the BSC. These claimants have invested significant amounts of time and effort in pursuit of their claims and should not be denied recovery of sums identified as due to them under the process. Although net reconciliation sums are zero across the market, it is more likely that unanticipated reconciliation charges payable will precipitate default by a party than recoverable charges. Ongoing protection for Parties against the risk of default in reconciliation charges should be provided</i>