

Responses from P117 Draft Report Consultation

Consultation issued 19 February 2003

Representations were received from the following parties:

No	Company	File Number	No. BSC Parties Represented	No. Non-Parties Represented
1.	SEEBOARD	P117_DR_001	1	
2.	Aquila Networks	P117_DR_002	1	
3.	Scottish and Southern	P117_DR_003	4	
4.	Scottish Power	P117_DR_004	6	
5.	British Gas Trading	P117_DR_005	1	
6.	IMServ	P117_DR_006	0	1
7.	British Energy (late response)	P117_DR_007	3	

P117_DR_001 – SEEBOARD

Respondent:	Dave Morton
No. of BSC Parties Represented	1
BSC Parties Represented	SEEBOARD Energy Limited
No. of Non BSC Parties Represented	0
Non BSC Parties represented	
Role of Respondent and Parties represented	Supplier

Q	Question	Response Error! Bookmark not defined.	Rationale
1	Do you agree with the Panel's views on P117 and the provisional recommendation to the Authority contained in the draft Modification Report that P117 should be made? Please give rationale.	Yes	Without this proposal administration for past notification errors will differ from other activities. This change ensures a consistent approach and should, therefore, better facilitate BSC objectives as it simplifies BSC administration.
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? Please give rationale.	Yes	
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P117? Please give rationale.	No	Given minor nature of this proposal there does not seem to be a need to wait 10 days if a decision to accept this modification is made by the Authority.
4	Do you believe that there are any impacts that have not been highlighted? If yes please give details.	No	
5	Are there any further comments on P117 that you wish to make?	No	

P117_DR_002 – Aquila Networks

Please find that Aquila Networks Plc response to P117 Consultation on draft Modification Report is 'No Comment'.

regards

Rachael Gardener

Deregulation Control Group &
Distribution Support Office
AQUILA NETWORKS

P117_DR_003 – 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 five questions listed in the Consultation Paper, contained within your note of 19th February 2003 concerning Modification Proposals P117, we have the following comments to make:-

Q1 Do you agree with the Panel's views on P117 and the provisional recommendation to the Authority contained in the draft Modification Report that P117 should be made? Please give rationale.

Yes. As this is basically a housekeeping Modification which the Panel has noted will have no impact on any Party or BSC System it seems a sensible proposition.

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.

Yes.

Q3 Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P117? Please give rationale.

If Modification Proposal P117 is approved, we agree with the proposed BSC Panel recommendation on the timing for the Implementation Date, as outlined in Section 1.1 of the Modification Report.

Q4 Do you believe that there are any impacts that have not been highlighted? If yes please give details.

No.

Q5 Are there any further comments on P117 that you wish to make?

We have no further comments to make.

Regards

Garth Graham
Scottish and Southern Energy plc

P117_DR_004 – Scottish Power

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

Q	Question	Response Error! Bookmark not defined.	Rationale
1	Do you agree with the Panel's views on P117 and the provisional recommendation to the Authority contained in the draft Modification Report that P117 should be made? Please give rationale.	Yes	<i>It is appropriate to allow sufficient flexibility in the rectification of Past Notification Errors (PNEs) in Settlement. Allowing PNEs to be resolved through Extra-Settlement Determination promotes efficiency in the trading arrangements and ensures that Post-Final Settlement Runs involving other Trading Disputes are not unduly delayed until all relevant PNE claims have been resolved.</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? Please give rationale.	Yes	<i>The draft legal text is appropriate for this change</i>
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P117? Please give rationale.	Yes	<i>The proposed implementation timescale of 15 Business Days after an Authority decision is appropriate to allow the relevant documentation changes to be made.</i>
4	Do you believe that there are any impacts that have not been highlighted? If yes please give details.	No	<i>We don't believe that there are further impacts which have not already been highlighted.</i>
5	Are there any further comments on P117 that you wish to make?	No	<i>No further comments.</i>

Re: Modification Proposal P117 – Rectification of Past Notification Errors (PNEs)

Thank you for the opportunity of responding to this draft modification report considering Modification Proposal P117. British Gas Trading (BGT) conditionally agrees with the Panel's provisional recommendation supporting the Modification Proposal as the improved efficiency of the process can be seen to better facilitate Applicable BSC Objective (d). The conditional support relates to an inconsistency between the draft modification report and the Modification Proposal and the effect of the legal text.

BGT do not believe that the draft modification report is consistent with the Modification Proposal. The draft modification report proposes to allow the Panel the power to direct an Extra Settlement Determination (ESD) after a Post Final Settlement Run (PFSR) has taken place. The legal text as drafted allows for the use of either method of correction rather than both to rectify an endorsed claim. Whilst BGT agree that both methods of correction should be available for rectification of any upheld claims we do not believe this decision should be taken by the BSC Panel or the Past Notification Error Committee. The decision process should be mechanistic in that it should obligate the use of a PFSR in all instances and only if it is not possible to undertake a PFSR then an ESD should be directed. BGT believe the legal text should reflect this and should be amended to remove any discretion from the BSC Panel. Furthermore BGT believe to achieve a consistent approach to rectification all claims that are endorsed should be corrected in a uniform manner, whether that be via a PFSR or ESD.

On the basis of any of the P6 claims being upheld and corrective action being required BGT support the use of a PFSR as opposed to an ESD. A PFSR will provide more accurate outputs than an ESD as the Settlement Administration Agent will be utilising the same process as that performed for a timetabled Settlement Run. Whereas an ESD will be a manual calculation based upon estimated inputs, which will naturally include a margin of error. The only caveat to this preference being that performing a Post Final Settlement Run must be a cost efficient process to administer.

BGT note with concern that the Supplier Volume Allocation Group (SVG) has made a recommendation to the Trading Disputes Committee (TDC) that they endorse the running of PFSR for Settlement Days in March and April 2001. BGT are aware that there are P6 claims relating to the first few Settlement Days under NETA. Assuming the TDC endorses the SVG recommendation, BGT seek assurances that this process will not undermine the ability to process any P6 claims that are upheld via a Post Final Settlement Run. If these assurances are not forthcoming then BGT would oppose any PFSR being undertaken until the PNE process is complete.

Yours faithfully

Mark Manley
Contract Manager

P117_DR_006 – IMServ

Respondent:	Carmen Page
No. of BSC Parties Represented	
BSC Parties Represented	IMServ Europe Ltd
No. of Non BSC Parties Represented	
Non BSC Parties represented	
Role of Respondent and Parties represented	<i>HHDA, HHDC, HHMOP, NHHDA, NHHDC, NHHMOP</i>

Q	Question	Response Error! Bookmark not defined.	Rationale
1	Do you agree with the Panel's views on P117 and the provisional recommendation to the Authority contained in the draft Modification Report that P117 should be made? Please give rationale.	Yes	As long as this is implemented in line with modification P107.
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? Please give rationale.	Yes / No	None submitted
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P117? Please give rationale.	Yes / No	None submitted
4	Do you believe that there are any impacts that have not been highlighted? If yes please give details.	Yes / No	We have assumed there is no impact above that of P107 – is this correct?
5	Are there any further comments on P117 that you wish to make?	Yes / No	Could this be combined with P107 or have we misunderstood this?

P117_DR_007 – British Energy (late response)

Respondent:	<i>Martin Mate</i>
No. of BSC Parties Represented	3
BSC Parties Represented	<i>British Energy Power & Energy Trading Ltd, British Energy Generation Ltd, Eggborough Power Ltd.</i>
No. of Non BSC Parties Represented	
Non BSC Parties represented	
Role of Respondent and Parties represented	<i>Supplier/Generator/Trader/Consolidator/Exemptable Generator/Party Agent)</i>

Q	Question	Response	Rationale
	Do you agree with the Panel's views on P117 and the provisional recommendation to the Authority contained in the draft Modification Report that P117 should be made? Please give rationale.	Yes	Whilst agreeing with the Panel that calculation of materiality of any successful claims under Section P6 should in principle be treated consistently with other errors requiring calculation after the Final Reconciliation Run using either the Post-Final Settlement Run or Extra Settlement Determination, this should not be interpreted as agreement that an Extra Settlement Determination should be used.
	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.	Yes	
	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P117? Please give rationale.	Yes	As good as any.
	Do you believe that there are any impacts that have not been highlighted? If yes please give details.	No	None identified in the time available.

Q	Question	Response	Rationale
	Are there any further comments on P117 that you wish to make?	Yes	<p>The Panel should consider carefully the relative costs of using the Post-Final Settlement Run or an Extra Settlement Determination to calculate amounts due under any successful P6 claim. The impact of other outstanding data errors (EAC/AA and other meter data errors affecting individual imbalances and cashflow reallocation etc) should be considered, and it may be cost-effective to delay the Post Final Settlement Run in order that all outstanding errors can be calculated together in a central settlement calculation. The impact on participant systems and processes should be considered. The full cost of calculating and verifying amounts by Extra Settlement Determination should not be underestimated.</p>