

## Responses for P104 Assessment Consultation

Consultation issued 25 October 2002

Representations were received from the following parties:

No	Company	File Number	No. Parties Represented
1.	NGC	P104_UDR_001	1
2.	LE Group	P104_UDR_002	7
3.	British Gas Trading	P104_UDR_003	1
4.	Edison Mission Energy	P104_UDR_004	1
5.	Scottish and Southern	P104_UDR_005	4
6.	Scottish Power	P104_UDR_006	3
7.	SEEBOARD	P104_UDR_007	1

**P104\_UDR\_001 – NGC**

National Grid supports the recommendation of the Urgent Modification Report that P104 "Amendments to the Solution to P78 'Revised Definition of System Buy Price and System Sell Price" should be made. We also agree with the rationale in the report that whilst the inconsistencies are minor they may lead to material errors in the implementation of modification proposal P78.

Regards  
Richard Lavender

## **P104\_UDR\_002 – LE Group**

LE Group support P104 in that it corrects inconsistencies in the legal drafting for P78 and therefore better facilitates achievement of Applicable BSC Objective 3(d) "Promoting efficiency in the implementation and administration of the balancing and settlement arrangements".

Liz Anderson  
General Manager, Energy Strategy and Regulation  
LE Group

**P104\_UDR\_003 – British Gas Trading**

Re: P104 Amendments to the solution to P78 'Revised Definition of System Buy Price and System Sell Price'

Thank you for the opportunity of responding to this modification proposal. British Gas Trading Ltd supports this proposal and agrees that it will better facilitate the applicable BSC objectives.

Yours faithfully

Danielle Lane

## P104\_UDR\_004 – Edison Mission Energy

The proposed changes do not address all of the possible scenarios with respect to the defaulting rules. It is possible that a situation could occur where only system trades remain after tagging on the main stack and there is insufficient liquidity from the MIDPs to calculate a price for the reverse stack. In this scenario, the main price would default to the reverse price and the reverse price would default to the main price. The outcome would be that both cashout prices default to zero.

Whilst this possibility might seem so remote that it is not worth the effort and time to identify a solution, it may be worthy of further investigation to ensure that P78 provides a robust solution which does not require further change post implementation. Assessing the likelihood of this shortcoming and addressing it if there is a possibility of occurrence would avoid the need for an urgent and potentially expensive mod and an interim workaround.

regards

Libby Glazebrook  
Edison Mission Energy

## **P104\_UDR\_005 – Scottish and Southern**

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

Further to your note of 25th October 2002, and the associated Modification Report for P104, we agree with the proposed BSC Panel recommendation to the Authority that this Modification Proposal P104 should be made.

If the Modification Proposal P104 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 as we recognise the importance of this occurring in line with the P78 implementation date.

Regards

Garth Graham  
Scottish & Southern Energy plc

P104\_UDR\_006 – Scottish Power

**P104 Urgent Report Comments**

With reference to the above, please find below our comments for your consideration: -

- Slight correction is needed to the Panel recommendation, i.e. implementation of P104 on 25 Feb **2003** and NOT 25 Feb **2002**.
- Issue 1 - the legal wording is consistent with the intent to exclude De Minimis Accepted Bids and Offers and Arbitrage Bids and Offers from the relevant part of the equation.
- Issue 2 - the legal wording again looks consistent in trying to exclude system balancing actions from the imbalance cashout calculation.

I trust that you will find these comments helpful. Nonetheless, should you require further clarification of any of the above, please do not hesitate to contact me.

Yours sincerely,

Man Kwong Liu  
Calanais Ltd.

For and on behalf of: - *ScottishPower Energy Trading Ltd.; Scottish Power Generation Plc.;  
ScottishPower Energy Retail Ltd.*

## **P104\_UDR\_007 – SEEBOARD**

With respect to draft modification report for P104 (Amendments to the Solution to P78 'Revised Definitions of System Buy Price and System Sell Price'), dated 25th October 2002. We agree with recommendations within section 1.1 of this report and that this should be implemented at same time as modification P78 (Revised Definitions of System Buy Price and System Sell Price).

Dave Morton  
SEEBOARD Energy Limited