

Responses from P103 Draft Report Consultation

Consultation issued 3 February 2003

Representations were received from the following parties:

No	Company	File Number	No. BSC Parties Represented	No. Non-Parties Represented
1.	Powergen	P103_DR_001	15	
2.	British Gas Trading	P103_DR_002	1	
3.	SEEBOARD	P103_DR_003	1	
4.	Innogy	P103_DR_004	9	
5.	Scottish and Southern	P103_DR_005	4	
6.	British Energy	P103_DR_006	3	
7.	Slough Energy Supplies	P103_DR_007	1	3
8.	Scottish Power	P103_DR_008	6	

P103_DR_001 – Powergen

Respondent:	Powergen
No. of BSC Parties Represented	15
BSC Parties Represented	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
No. of Non BSC Parties Represented	0
Non BSC Parties represented	N/A
Role of Respondent	Supplier, Generator, Consolidator & Exemptable Generator

Q	Question	Response	Rationale
1	Do you agree with the Panel's views on P103 and the provisional recommendation to the Authority contained in the draft Modification Report? Please give rationale.	Yes	However, we are more fundamentally against the principle of P103 which seeks to provide free data provision and analysis tools to others at the expense of existing BSC Parties. An important element of providing a competitive environment in which to trade is to ensure that those who cause costs to be incurred pay for them. This would not occur here and would represent a subsidising of certain parties, which does not better meet BSC objective c) – the promotion of effective competition. The exact level of cost involved is not really relevant in this respect, although it clearly further highlights how inappropriate the modification is.
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.	No.	Irrespective of the fact that we may not agree with the alleged defect in the modification proposal, the solution in the legal text does not correctly address it. It was to provide further information to help LEGs when negotiating with BSC Parties. This solution does not correctly address the defect, as it seeks to provide analysis tools too and fails to recover any costs from those using the service. The legal text does, however, appear to reflect correctly the definition of the proposed modification.

Q	Question	Response	Rationale
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P103? Please give rationale.	Yes	If the modification were approved this would appear to be a sensible timescale.
4	Are there any further comments on P103 that you wish to make?	Yes	The electricity industry already provides a significant amount of information about the individual positions of participants operating in the market, especially in comparison with other industries. P114 would provide even greater coverage whilst addressing the issues of cost recovery and the confidentiality of customer data. It therefore has our support, as opposed to P103, which is wholly inappropriate.

P103_DR_002 – British Gas Trading

Re: Modification Proposal P103 – Respecification of Trading Data

Thank you for the opportunity of responding to this draft modification report considering Modification Proposal P103. British Gas Trading (BGT) does not support the Modification Proposal and does not believe this would better facilitate Applicable BSC Objectives (c). BGT believe that any value derived from greater transparency of data published on the BMRS website is undermined by the significant costs associated with implementation of the proposal. Furthermore BGT does not believe that increasing the data retention requirements of the BMRS can be seen to better facilitate Applicable BSC Objective (c).

BGT does not believe the BMRS Low Grade Service was designed to replicate data that is already provided to BSC Parties via Settlement output. The BMRS was designed to provide indicative non-commercial real time information, not long-term enduring commercial data. BGT do not support the principle of the BMRS becoming a data warehousing function to allow non BSC Parties to make commercial decisions.

BGT believe there may have been benefits in undertaking this work prior to Go-Live. However we believe that it would be unfair to ask BSC Parties to contribute again towards this work when many BSC Parties have developed systems to allow for data interrogation and manipulation.

BGT note the similarity of intent of Modification Proposals P102/P114 and P103 and we support the provision of data to non BSC Parties via the method outlined in the Alternative to Modification Proposal P102. This provides a robust cost recovery mechanism and a requirement from the licensee to support confidentiality obligations.

Yours sincerely

Mark Manley
Contract Manager

P103_DR_003 – 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	Supplier

Q	Question	Response Error! Bookmark not defined.	Rationale
1	Do you agree with the Panel's views on P103 and the provisional recommendation to the Authority contained in the draft Modification Report? Please give rationale.	Yes	Charges arising from this modification are to be passed on to all Parties. However, a very small number of Parties have any need for this change. This means Parties are cross-subsidising others and this cannot be considered as better facilitating competition and, therefore, BSC objectives.
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 P103? Please give rationale.	No	We cannot agree to any implementation date given that we believe that this modification does not better facilitate BSC objectives.
4	Are there any further comments on P103 that you wish to make?	No	

P103_DR_004 – Innogy

Respondent:	Ben Willis
No. of BSC Parties Represented	9
BSC Parties Represented	Innogy plc, Innogy Cogen Ltd, Innogy Cogen Trading Ltd, Npower Ltd, Npower Direct Ltd, Npower Yorkshire Ltd, Npower Yorkshire Supply Ltd, Npower Northern Ltd, Npower Northern Supply Ltd
No. of Non BSC Parties Represented	0
Non BSC Parties represented	N/A
Role of Respondent	Supplier / Generator / Trader / Consolidator / Exemptable Generator

Q	Question	Response Error! Bookmark not defined.	Rationale
1	Do you agree with the Panel's views on P103 and the provisional recommendation to the Authority contained in the draft Modification Report? Please give rationale.	Yes	We agree that the modification should not be made, as the costs are prohibitive.
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	Apart from the minor inconsistencies within the legal text between Section T4.5 and 4.10.2
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P103? Please give rationale.	Yes	
4	Are there any further comments on P103 that you wish to make?	No	

P103_DR_005 – 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 four questions listed in the Consultation Paper, contained within your note of 3rd February 2003 concerning Modification Proposals P103, we have the following comments to make:-

Q1 Do you agree with the Panel's views on P103 and the provisional recommendation to the Authority contained in the draft Modification Report? Please give rationale.

We agree with the proposed BSC Panel recommendation to the Authority that this Modification Proposal P103 should not be made. As we have indicated previously, we do not believe that this Modification will better facilitates the achievement of the BSC Objectives. We note that this is also a view shared by the majority of respondents to the P103 Assessment Procedure, the majority of the SSMG and the majority of the Panel. We would like to point out that the data being sought by this Modification Proposal P103 is already freely available to all BSC Parties, it just has to be read in, stored and analysed. There should be no obligation on all BSC Parties to subsidise other parties because those other parties have freely chosen not to develop a system to manage the information at their own expense, which other BSC Parties have. Furthermore, we agree with the comments from the SSMG that the "inefficiencies of P103 far outweighed the benefits".

Please note our response to any of the following questions should not be construed to lend support whatsoever to this Modification.

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 P103? Please give rationale.

If the Modification Proposal P103 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 Are there any further comments on P103 that you wish to make?

We have no further comments to make on P103 at this time.

Regards

Garth Graham
Scottish & Southern Energy plc

P103_DR_006 – British Energy

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	0
Non BSC Parties represented	
Role of Respondent	<i>Supplier/Generator/Trader/Consolidator/Exemptable Generator/ Party Agent</i>

Q	Question	Response Error! Bookmark not defined.	Rationale
1	Do you agree with the Panel's views on P103 and the provisional recommendation to the Authority contained in the draft Modification Report? Please give rationale.		We support the Panel's view that modification proposal P103 should not be made. The significant BSC cost does not justify the relatively minor increase in transparency and reduction in analysis costs for non-parties and new entrants.
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.		The legal text appears to facilitate a comprehensive data reporting service which would address the issues identified in the modification proposal.
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P103? Please give rationale.		We assume that Elexon have established with confidence that the proposed implementation dates are achievable. Given our concerns about the cost of this modification, we would support longer timescales if costs could be reduced.
4	Are there any further comments on P103 that you wish to make?	Yes	If parties requiring the service were also paying for it, we would have no objection to this proposal, but that does not appear to be the case. A reporting and analysis service of the type proposed could have been created cost-effectively for NETA Go-Live, since it would have avoided the cost incurred by BSC Parties in developing or procuring their own service. However, the NETA Programme chose not to develop such a service, and now that expenditure has been made by parties, it is no longer efficient to create a central service funded by all (the same argument applies to dual notification).

P103_DR_007 – Slough Energy Supplies

Respondent:	Slough Energy Supplies Limited
No. of BSC Parties Represented	1
BSC Parties Represented	Slough Energy Supplies Limited
No. of Non BSC Parties Represented	3
Non BSC Parties represented	Fibrepower Slough Limited (generator); Slough Energy Contracts Limited (Generator); Slough Utility Services Limited (Exemptable)
Role of Respondent	Supplier

Q	Question	Response	Rationale
1	<p>Do you agree with the Panel's views on P103 and the provisional recommendation to the Authority contained in the draft Modification Report? Please give rationale.</p>	No	<p>Whilst prices used within Imbalance Settlement may be reported within the Settlement Report, this information should be open to non-BSC parties as well.</p> <p>Whilst data within Settlement Reports can be used or retrieved for use within Parties' information systems, this will only be true to the extent that such systems are able to process such raw data. The modification allows wider access to <i>processed</i> information, which is necessary for facilitating Applicable BSC Objective (c) and would enable smaller Parties to become more of a competitive force. We believe that due notice should be taken of the merits of having a formal and therefore reliable source of market data.</p> <p>Existing and new proposed data displayed on the BMRS will also be available in a more processed format which will facilitate the comprehension of this data by smaller and non-BSC parties.</p> <p>We accept that there would be a certain amount of inefficiency in the provision of a centralised service that has already been implemented by some parties within their own information systems. However we do not accept that this outweighs the importance of introducing measures to promote a fair and competitive market place. The costs of implementing the necessary systems are disproportionate to the resources of smaller parties and if competition is to be encouraged it cannot be acceptable that smaller parties and non-</p>

Q	Question	Response	Rationale
			<p>BSC parties are unable to take commercial decisions based on data that is either inaccurate or not in an analysable form. Currently information set out in Settlement Data Files are in 'code' form. This information should be processed and displayed on the BMRS.</p>
2	<p>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.</p>	Yes	
3	<p>Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P103? Please give rationale.</p>	No	<p>This is a measure which is directed towards improving market competition and in our view there should be a sufficiently high priority for implementation for it to be achieved earlier than the planned date.</p>
4	<p>Are there any further comments on P103 that you wish to make?</p>	Yes	<p>Whilst the BMRS may not have been initially designed as a tool to report prices used within the Settlement, this does not mean that it should not become so.</p> <p>At the moment the BMRS only displays indicative prices which are inaccurate. If the modification is not introduced this will continue to be the case.</p> <p>Settlement data is not published as a matter of course anywhere under the Code. Elexon replicates the settlement calculations but do not use the settlement data. In any event this is not required of Elexon and as such there are no performance obligations. There should be such an obligation as there was for the Pool prices. The BMRS would be a suitable place for such information to be published</p>

P103_DR_008 – Scottish Power

Respondent:	Man Kwong Liu
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 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	<i>Please list all non BSC Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent	<i>(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / other – please state)</i> 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 P103 and the provisional recommendation to the Authority contained in the draft Modification Report? Please give rationale.	Yes	From the report of the Panel's discussions of Parties' Assessment responses, it appears clear that Parties did not consider that P103 met the Applicable BSC Objectives in principle, regardless of the costs attached to providing additional functionality to the current BMRS service. Our previous response indicated that the development of various tools to analyse BMRS data by Parties could be considered to be a means to obtain competitive advantage. It would be unreasonable if Parties were expected to dilute that competitive advantage by the provision of an expanded central BMRS service when they may have already incurred costs to gain an advantage. The provision of further information to the market is a matter for further discussion and may be taken forward by way of an issue to the appropriate Standing Group. However, P103 does not strike the correct balance between transparency and efficiency in the trading arrangements.

Q	Question	Response Error! Bookmark not defined.	Rationale
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	The legal drafting appears to be appropriate in terms of the requirements set down by the P103 solution.
3	Do you agree with the Panel's provisional recommendation concerning the Implementation Date for P103? Please give rationale.	Yes	In view of the requirements set down for P103, the implementation timescales are appropriate. However, we would reiterate our view that P103 does not meet the Applicable Objective of promoting efficiency in the trading arrangements and should not, therefore, be approved."
4	Are there any further comments on P103 that you wish to make?	No	