

CP Progression – CP1371

Meeting Name	Supplier Volume Allocation Group
Meeting Date	06 June 2012
Purpose of paper	For Decision
Summary	This report provides details of the background, solution, impacts and industry views of CP1371 'Removing requirements for Line Loss Factor Audit to be performed at the LDSO offices'. The ISG & SVG is requested to consider the report and to reach a decision on whether to approve the CP.

1. Why Change?

1.1 Background

1.1.1 BSC Procedure (BSCP) 128 requires that an audit of Line Loss Factors (LLFs) must be performed at the Licensed Distribution System Operator's (LDSO's) offices.

1.2 What is the issue?

1.2.1 Experience gained from conducting these audits has shown that, in some cases, the audit can be completed remotely. This would be more cost and time effective, whilst also giving environmental benefits by removing the need to travel to LDSO offices.

2. Solution

2.1 This CP proposes to update BSCP128 Section 3.5 'Audit Scope' to say that the audit 'may', rather than 'will', be performed at the LDSO's office.

2.2 Consequential changes will be made to BSCP128 to reflect that not all audits will require site visits and to clarify the process for remote audits. Consequential changes will also be made to Appendix 3 of BSCP128 (the Calculation Self Assessment Document, or CSAD). Industry Views

2.3 CP1371 was issued for participant Impact Assessment via CPC00710. We received 3 responses which were all in favour of the CP being implemented.

2.4 The breakdown of responses is shown in the following table and the full collated participant responses to CP1371 are available on the ELEXON website.

Respondent Role	Respondent Support		
	Yes	No	Neutral
LDSOs	2	-	-
Distributor	1	-	-
Total	3	-	-

2.5 No respondents were against the changes proposed in CP1371. One respondent stated that the impact would be low, and whilst they will need to review/change some of their processes there will not need to be changes made to our IT systems. The other two respondents stated no impact.

2.6 Comments on the Proposed Redlining

2.6.1 No comments were received on the proposed redlined changes.

3. Intended Benefits

3.1.1 The change will improve the efficiency of the audit process whilst also giving environmental benefits by removing the need to travel to LDSO offices.

4. Impacts and Costs

4.1 The following table summarises the ELEXON effort required to implement CP1370. The implementation of these would have minimal impact on Market Participants.

Market Participant	Cost/Impact	Implementation time needed
ELEXON (Implementation)	1 man days, equating to £240	June 2012 Release is suitable
All Market Participants	Minimal Impact	June 2012 Release is suitable

5. Implementation Approach

5.1 CP1370 would be implemented on **28 June 2012** as part of the June 2012 BSC Systems Release. This change has been recommended by the Panel to be part of the next available BSC Systems Release date.

6. Recommendations

6.1 We invite the ISG to:

- a) **AGREE** the proposed amendments to BSCP128; and
- b) **APPROVE** CP1371 for implementation on 01 June 2012, as part of the June 2012 Release.

Attachments:

Attachment A – BSCP128 redlining

Attachment B – Consultation Responses

For more information, please contact:

Michael Edwards

Change Analyst

michael.edwards@elexon.co.uk

020 7380 4146