

# 262/06 – DIRECTION FROM AUTHORITY TO REVISE P347 FINAL MODIFICATION REPORT

<b>MEETING NAME</b>	BSC Panel Meeting
<b>Date of meeting</b>	19 January 2017
<b>Paper number</b>	262/06
<b>Owner/author</b>	Royston Black
<b>Purpose of paper</b>	Decision
<b>Classification</b>	Public
<b>Summary</b>	A request to approve revised legal text for P347 at Direction from the Authority via the Send Back Procedure.

## 1. Background

- 1.1 P347 'Reduction in R1 Read Requirement for HH Sites' was rejected at the December 2016 Panel (261) and referred to the Authority for decision. Since Panel 261 an error was identified in the proposed Legal text, which would mean that if Ofgem chose to approve P347 the reduction in the performance threshold for R1 would actually apply to all reconciliation runs. The intent of P347 was for the reduction in the performance threshold to apply to R1 only. This would be a manifest error with wide ranging impacts on Settlement.
- 1.2 Ofgem was advised of the error in the legal drafting on 3 January 2017 and determined that the 'Send Back' process as defined in BSC Section F paragraph 2.7A was the appropriate route to resolve the error after consideration of raising a Fast Track Self-Governance Modification post decision. In accordance with the 'Send back' process, Ofgem issued a letter to the Panel Chair on 10 January 2017 directing the Panel to revise the Final Modification Report for P347 so that the legal text reflects the intent of the modification, and resubmit it to them for decision as soon as practicable. When Ofgem receives the amended report it will reset the 25 business day decision window but Ofgem have indicated they do not intend to use any additional time and will reach decision in the first week of February.

## 2. What is the issue?

- 2.1 In Paragraph 2.2.8 of Annex S-1 of the BSC the proposed Legal Text for P347 stated:
  - 2.1.1 'the total energy attributable to that Supplier relating to such Metering Systems for the aggregate of the Applicable Settlement Periods are provided by its Half Hourly Data Aggregator to the SVAA in time for the relevant First Reconciliation Volume Allocation Run *and any subsequent Reconciliation Volume Allocation Runs.*'
  - 2.1.2 If implemented without correction this text would apply the reduction in performance threshold for HH Settled Meters to 90% from 99% for all reconciliation runs instead of only the First Reconciliation Run (R1), which was the intent of the Proposed Solution. Ofgem want this legal text corrected to reflect the original intent of P347 before they make a decision on implementation.

## 3. What is the Solution?

- 3.1 The draft legal text has been amended to remove the reference to 'any subsequent Reconciliation Volume Allocation Runs' and implement some new text in Paragraph 2.2.8A. This new text removes any ambiguity and clarifies that the intent of the P347 Proposed Solution is to apply the reduction in performance threshold from 99% to 90% only to R1.

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## 4. Recommendations

4.1 We invite you to:

- a) Note the Send back Direction letter from the Authority
- b) **AGREE** that P347:
  - i) **DOES NOT** better facilitate Applicable BSC Objective (c);
  - ii) **DOES NOT** better facilitate Applicable BSC Objective (d); and
- c) **AGREE** a recommendation that P347 Proposed Modification should be **rejected**
- d) **APPROVE** an Implementation Date of:
  - i) 1 April 2017 if an Authority decision is received on or before 1 February 2017; or
  - ii) 1 June 2017 if an Authority decision is received after 1 February 2017 but on or before 1 April 2017;
- e) **APPROVE** the revised draft legal text;
- f) **APPROVE** the P347 Modification Report;
- g) **Recommend the Final Modification Report for P347 back to the Authority for decision.**

## Attachments

Attachment A – Ofgem Send back letter for P347

Attachment B – Revised Final Modification Report for P347

Attachment C – Revised Legal Text for P347

Attachment D – Assessment Consultation Responses

Attachment E – Report Phase Consultation Responses

### For more information, please contact:

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