



MODIFICATION P78 'REVISED DEFINITION OF SYSTEM BUY PRICE AND SYSTEM SELL PRICE'

SECOND ASSESSMENT CONSULTATION DOCUMENT

This document is intended to provide supporting information for consideration when responding to this second Assessment consultation for Modification Proposal P78.

The draft Assessment Report (P078AR03, 8 July 2002) is attached, and this provides further information and context on the issues being considered by the Pricing Issues Modification Group (PIMG) during its assessment of Modification Proposal P78 'Revised Definitions of System Buy Price and System Sell Price' (and Modification Proposal P74 'Single Cost-reflective Cash-out Price').

It is intended that this Assessment Report be utilised as a basis for responding to the attached consultation on Modification Proposal P78.

It should be noted that the Modification Proposal P78 Assessment Report is draft, and as such reflects the considerations of the PIMG to date, and contains the provisional recommendations of the PIMG to the Panel. Consequently the opinions and recommendations contained therein may be subject to change, and are provided only for informing the response to the consultation.

There are a number of supporting documents available on the BSC Website (www.elexon.co.uk), which provide further information on the Modification Proposal, as follows:

Modification Proposal P78 - <ftp://www.elexon.co.uk/ta/modifications/modsprops/P078/P78.pdf>

Modification Proposal P78 Annex - <ftp://www.elexon.co.uk/ta/modifications/modsprops/P078/P78a.pdf>

Initial Assessment of P78 - ftp://www.elexon.co.uk/ta/modifications/modsprops/P078/P78_IWA.pdf

Modification Proposal P78 and Modification Proposal P74 'Single Cost-reflective Cash-out Price' have been assessed in parallel as a consequence of the similarity of the issues that both of the Modifications are trying to address. However, Modification P74 and Modification P78 are discrete and separate Modifications, which are mutually exclusive in terms of implementation. Therefore it is pertinent to obtain an indication of any preference for one of the two Modifications and their Alternatives, as only one can be implemented.

Therefore the draft Assessment Report for Modification Proposal P74 (P074AR03, 8 July 2002) is also attached for reference to assist in the consideration of a preference. It should be noted that the draft Assessment Report for Modification Proposal P78 contains the considerations of the PIMG to date, and contains the provisional recommendations of the PIMG to the Panel. Consequently the opinions and recommendations contained therein may be subject to change, and are provided only for informing the response to the consultation.

Please complete the attached proforma and return it to Modifications@ELEXON.co.uk, by 17:00 Monday 12 July 2002.

