Responses from P197 First Assessment Procedure

Consultation Issued 10 March 2006

Representations were received from the following parties

No	Company	File number	No BSC Parties Represented	No Non-Parties Represented
1.	Good Energy	P197_AR_001	1	0
2.	IMServ Europe Ltd	P197_AR_002	0	5
3.	Central Networks	P197_AR_003	1	0
4.	Siemens Energy Services Ltd	P197_AR_004	0	6
5.	Scottish and Southern Energy	P197_AR_005	5	0
6.	Npower	P197_AR_006	10	0
7.	E.ON	P197_AR_007	17	0
8.	Scottish Power	P197_AR_008	7	0

P197 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

Respondent:	*Name*
Company Name:	
No. of BSC Parties Represented	
Parties Represented	*Please list all BSC Party names of Parties responding on behalf of (including the respondent company if relevant).*
No. of Non BSC Parties Represented (e.g. Agents)	
Non Parties represented	*Please list all non Parties responding on behalf of (including the respondent company if relevant).*
Role of Respondent	*(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / Distributors / other – please state [1])*
Does this response contain confidential information?	*Yes / No*

Q	Question	Response	Rationale

a) _____

[1] Delete as appropriate – please do not use strikeout, this is to make it easier to analyse the responses

Q	Question	Response	Rationale
1.	Do you believe that any of the potential options for an Alternative Modification set out in the consultation document may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification? *Please give rationale, stating relevant BSC Objectives:* Option 1: Qualification Board Option 2: Merge Phase 1 and Phase 2 Option 3: Optional visit to the PAB between Phase 1 and Phase 2 Option 4: All testing in Phase 2 should be witnessed Option 5: Re-Qualification to exclude Suppliers Option 6: No Qualification Limit	 (1) Yes (2) No (3) No (4) Yes (5) Yes (6) Yes	(1) Yes, but disagree that the Board should have the same membership as PAB. The role of the Qualification Board should be to help participants in to the market, not test them or (2) No, The two phase approach would be more suitable, but parties should be able to resubmit phase 1 data to phase 2, rather than re run the scenarios (3) Should be the responsibility of the Qualification Board (4) Yes, but not as witnesses, they should be there to support the new entrant, and provide guidance. (5) 90% of what Suppliers do is outside scope of the BSC. Current Entry processes cause the tail to wag the dog. PAB will pick up any underperforming Supplier Serves no pupose.
2.	Do you believe that there are any other changes to the Proposed Modification that could form other potential options for an Alternative Modification that may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification and that should be considered by the Modification Group? *Please give rationale, stating relevant BSC Objectives.*	Yes	Entry processes should be about helping parties in to the market, not keeping undesirables out. A Qualification Board should have this role enshrined in the BSC, and act accordingly. Current processes were designed first & for most to stop any party disrupting the integrity of settlements. Assisting competition was secondary.
3.	If the answer to Question 1 and / or 2 is yes, please indicate how the option(s) would meet the issue or defect identified by the Modification Proposal.	-	
4.	Are there any further comments on P197 that you wish to make?	No	

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Please send your responses by **17:00 on Thursday 23 March 2006** to modification.consultations@elexon.co.uk and please entitle your email 'First P197 **Assessment Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Modification Group.

Any queries on the content of the consultation pro-forma should be addressed to Katie Key on 020 7380 4376, email address Katie-Ann.Key@elexon.co.uk or Geoffrey Sekyere-Afriyie on 020 7380 4377, email address Geoffrey.sekyereafriyie@elexon.co.uk.

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Respondent:	*Name; Clare Hannah*
Company Name:	*IMServ Europe Ltd*
No. of BSC Parties Represented	
Parties Represented	*IMServ Europe Ltd*
No. of Non BSC Parties Represented (e.g. Agents)	*5*
Non Parties represented	*HHDC and DA* *MOP* *NHHDC and DA*
Role of Respondent	*Party Agent*
Does this response contain confidential information?	*No*

Q	Question	Response	Rationale

Q	Question	Response	Rationale
1.	Do you believe that any of the potential options for an Alternative Modification set out in the consultation document may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification? *Please give rationale, stating relevant BSC Objectives:* Option 1: Qualification Board Option 2: Merge Phase 1 and Phase 2 Option 3: Optional visit to the PAB between Phase 1 and Phase 2 Option 4: All testing in Phase 2 should be witnessed Option 5: Re-Qualification to exclude Suppliers Option 6: No Qualification Limit	 (1) No (2) Yes (3) No (4) Yes (5) No (6) No	1) We agree with the opinions already identified in the Paper regarding the disadvantages of transferring this responsibility from PAB to "another" committee. We also believe that the PAB can benefit from using their experience and knowledge of issues, which can arise during "live" operations when considering and dealing with a new entrants application/testing. Having a "total" view of performance can best serve to protect against and also reduce the level of issues across the Market 5) We fully support the comments already raised by some members of the expert group regarding the requirement for Suppliers to be included in the scope of "requalification". As instigators of many of the key processes which impact Settlements it is imperative that they too are subject to this process as should an issue occur at this point in the process, rigour and control over other Parties systems/processes etc cannot ensure that Settlements will not be impacted. Other Parties/Party Agents then become involved in the issue and can be heavily impacted by the effort and cost of resolving such. 6) As anticipated volume is one of the factors considered in Phase 1 in terms of level of testing, it is essential that this benchmark be retained when considering requalification.
2.	Do you believe that there are any other changes to the Proposed Modification that could form other potential options for an Alternative Modification that may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification and that should be considered by the Modification Group? *Please give rationale, stating relevant BSC Objectives.*	No	
3.	If the answer to Question 1 and / or 2 is yes, please indicate how the option(s) would meet the issue or defect identified by the Modification Proposal.	-	

Q	Question	Response	Rationale
4.	Are there any further comments on P197 that you wish to make?	No	

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Central Networks would like to submit the following response:-

1. Would the Proposed Modification, as outlined in the attached Requirements Specification, impact your organisation?

Yes/No* Yes

2. If yes, please provide a description of the impact, any costs incurred, and the implementation timescale required:

Since the UMSO activity was not party to formal entrance testing in 1998 then clarification would be required to determine if existing UMSO operators (6 years plus in existence) would have to undergo initial qualification or merely re-qualification? Assuming qualification then Central Networks would approximate 6 man months of work. If we assume an annual re-qualification requirement then considerably less effort would be required, since very little Internal/external change impacts the UMSO IS application or business processes.

3. Any other comments:

The scope of the annual BSC audit has recently been extended to include LDSO’s and UMSO’s, with this in mind it would be prudent to await Industry feedback from the review, and then assess the risk and materiality of the findings prior to progressing this modification. The UMSO activity is considered low risk to settlements and Central Networks would need a much greater understanding of the value of initiating a potentially significant piece of work to address these new accountabilities. Without further evidence/justification from the Industry then Central Networks would vote against this modification.

Regards
Simon Sturgess
01332 393553
Registration Services
Central Networks

P197 ASSESSMENT PROCEDURE CONSULTATION QUESTIONS

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Respondent:	*Jenn TIpple*
Company Name:	*Siemens Energy Services Ltd*
No. of BSC Parties Represented	*None*
Parties Represented	*N/A*
No. of Non BSC Parties Represented (e.g. Agents)	*6*
Non Parties represented	*MO, HHDC, HHDA, NHHDC, NHHDA, MA*
Role of Respondent	*Party Agent*
Does this response contain confidential information?	*No*

Q	Question	Response	Rationale

Q	Question	Response	Rationale
1.	Do you believe that any of the potential options for an Alternative Modification set out in the consultation document may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification? *Please give rationale, stating relevant BSC Objectives:* Option 1: Qualification Board Option 2: Merge Phase 1 and Phase 2 Option 3: Optional visit to the PAB between Phase 1 and Phase 2 Option 4: All testing in Phase 2 should be witnessed Option 5: Re-Qualification to exclude Suppliers Option 6: No Qualification Limit	 (1) No (2) Yes (3) Yes (4) No (5) No / Yes (6) Yes	1) We do not believe that a further qualification board would introduce any greater efficiency into the process (objective d). It may actually increase complexity, with a distinction being created between ongoing market compliance and qualification / re-qualification. The PAB already has extensive experience in both of these areas, so it would follow that they should continue to act as the approval board. We would suggest that it would be more useful for one committee to have visibility of both of these processes. 2) We do not believe that a two phased approach would be required in all instances. Where an applicant has conducted extensive testing in phase one, there seems little point in repeating this in phase 2. This would lead to greater efficiency, and hence better facilitate objective d. 3) We would suggest that alternative modification 2 would better facilitate the BSC objectives, for the reasons stated above. However, if the two phased approach were deemed necessary in all cases we would agree with this proposal that ELEXON should be able to approve the move to phase two, rather than having to go through PAB. Progressing all such applications through PAB could become unmanageable and decrease efficiency. In addition to this, PAB would be expected to approve entry to the market at a later stage anyway. 4) In our view, witnessing of all testing would increase costs and decrease inefficiency surrounding the process. As long as evidence of the relevant testing can be supplied we see little reason why all testing should be witnessed. We believe this would not facilitate objective b or d. 5) Further investigation required. It could be the case that a form of reduced re-qualification could be introduced, which just examines the areas that have a direct impact on settlement? 6) – See below

Q	Question	Response	Rationale
			6) We agree that there should be no initial qualification limit. Currently an agent who wishes to increase their maximum certified MSID limit has to go through the re-certification process, even if the step increase is minimal. We would suggest that whilst there is a significant amount of administration surrounding the current process (for both ELEXON and party agents), it actually adds little value when the increase is minimal, and as such does not facilitate BSC objectives (c) and (d). We would agree with the suggestion that the definition of a material change should be amended to include a significant step change over a short period of time (although a "short" period of time would need to be defined more clearly).
2.	Do you believe that there are any other changes to the Proposed Modification that could form other potential options for an Alternative Modification that may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification and that should be considered by the Modification Group? *Please give rationale, stating relevant BSC Objectives.*	No	
3.	If the answer to Question 1 and / or 2 is yes, please indicate how the option(s) would meet the issue or defect identified by the Modification Proposal.	-	As detailed in question 1 above.
4.	Are there any further comments on P197 that you wish to make?	No	

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Respondent:	*John Sykes*
Company Name:	*Scottish and Southern Energy*
No. of BSC Parties Represented	*5*
Parties Represented	*This response is sent on behalf of Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd., Medway Power Ltd., and SSE Energy Supply Ltd.*
No. of Non BSC Parties Represented (e.g. Agents)	*-*
Non Parties represented	*-*
Role of Respondent	*Supplier / Generator/ Trader / Party Agent / LDSO*
Does this response contain confidential information?	*No*

Q	Question	Response	Rationale
1.	Do you believe that any of the potential options for an Alternative Modification set out in the consultation document may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification? *Please give rationale, stating relevant BSC Objectives:* Option 1: Qualification Board	(1) Yes	The creation of a Qualification Board (QB) distinct from PAB would enable it to have terms of reference and vires specifically for qualification purposes, features that PAB may not currently have or which it is prevented from having under the current BSC. In addition, the PAF review may decide that changes to the PAB are needed, and the creation of the QB decouples this potential difficulty. It would also enable any co-operation with the MRA entry process to be developed without having to take into account all the other requirements of

Q	Question	Response	Rationale
			PAB. It is not necessarily less efficient to have a separate board, as it could be formed from the same group of people that currently make up PAB. It could meet contiguously with PAB: it would just have different vires and ToR when in session.
	Option 2: Merge Phase 1 and Phase 2	(2) Yes	We do not see the process as having distinct phases as such. We see it as a continuous process. See Q3.
	Option 3: Optional visit to the PAB between Phase 1 and Phase 2	(3) No	As stated in Q2, we do not see the process as having a distinct Phase 1 and 2. We think that a visit to the QB could be made for at any time and for a variety of reasons:- • the candidate wishes to get endorsement from the QB about his progress to date through the qualification process • Elexon wish to get endorsement or clarification from the QB about the candidates plans or progress • there is a difference of opinion about the level of risk, or any other relevant matter, between the candidate and Elexon, which the candidate or Elexon wish to be clarified It could be that more than one visit to the QB is made during the process. The whole pont about the proposed process is that it is flexible and will vary from candidate to candidate.
	Option 4: All testing in Phase 2 should be witnessed	(4) No	Given our vision of a continuous process, this would be prescriptive, and not take into account the risks associated with the candidate. We believe that the risk assessment will decide whether or not the candidate's own test plans are comprehensive enough or whether they need to be supplemented with some specific test/scenarios, and which parts, if any need to be witnessed.
	Option 5: Re-Qualification to exclude Suppliers	(5) Yes	We believe that supplier's systems and processes are essentially customer facing and that a supplier has every incentive to get these right if he is to

Q	Question	Response	Rationale
			stay in business. It is assumed that Suppliers would still need to qualify to ensure that they understand and are capable of discharging their obligations.
	Option 6: No Qualification Limit	(6) Yes	The "qualification limit" is an artificial threshold, which was relevant in the past, but which has lost its significance. Much more important is an event of "material change" such a move from a manual to an automatic process, or the migration to a completely new software product. Often such change is as a result of wanting to increase capacity, and is a much better trigger than merely exceeding a hypothetical threshold.
2.	Do you believe that there are any other changes to the Proposed Modification that could form other potential options for an Alternative Modification that may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification and that should be considered by the Modification Group? *Please give rationale, stating relevant BSC Objectives.*	No	
3.	If the answer to Question 1 and / or 2 is yes, please indicate how the option(s) would meet the issue or defect identified by the Modification Proposal.	-	We believe that the options supported will meet the defects identified in the modification, but will be more flexible and efficient, and better meet the risks now associated with entry processes, rather than those which pertained at market opening. They also act as a platform for future cooperation with the MRA Entry processes, giving the potential for further efficiencies.
4.	Are there any further comments on P197 that you wish to make?	Yes	The issues of certification and accreditation appear to be intermingled in the proposals. If worthwhile chaaange is to be achieved, we believe that both processes need to be changed, and combined into a single process.

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Respondent:	*Richard Harrison*
Company Name:	*Npower Limited*
No. of BSC Parties Represented	*10*
Parties Represented	*RWE Trading GmbH; RWE Npower Ltd; Npower Commercial Gas Ltd; Npower Cogen Trading Ltd; Npower Direct Ltd; Npower Ltd; Npower Northern Ltd; Npower Northern Supply Ltd; Npower Yorkshire Ltd; Npower Yorkshire Supply Ltd*
No. of Non BSC Parties Represented (e.g. Agents)	*None*
Non Parties represented	*N/A*
Role of Respondent	*Supplier / Generator / Trader / Consolidator / Exemptable Generator / Party Agent*
Does this response contain confidential information?	*Yes / No*

Q	Question	Response	Rationale

Q	Question	Response	Rationale
1.	Do you believe that any of the potential options for an Alternative Modification set out in the consultation document may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification? *Please give rationale, stating relevant BSC Objectives:*		
	Option 1: Qualification Board	(1) No	This would have clear disadvantages, including potentially creating divided accountability (for the QB) and requiring significant rethinking of the PABs role and accountability under the BSC.
	Option 2: Merge Phase 1 and Phase 2	(2) No	It is useful to retain the two distinct phases, especially if the requirements are going to be different in each of these.
	Option 3: Optional visit to the PAB between Phase 1 and Phase 2	(3) Yes	This would enable the PAB, as the body ultimately accountable, to have visibility of and decide on any issues of principle before the applicant commits to phase 2.
	Option 4: All testing in Phase 2 should be witnessed	(4) No	This is not 100% necessary and should be at PAB's discretion. In any case it would not appear to apply to the same testing if carried out in phase 1 (or earlier), so on this basis it would seem hard to justify.
	Option 5: Re-Qualification to exclude Suppliers	(5) No	This should be retained in principle (as with the current 'TA Change' process), but clarification is needed re when it would apply.
	Option 6: No Qualification Limit	(6) No	This is a potentially important control, e.g. where current processes are 'manual' so that the volumes they can process reliably are limited. The process of changing the limit could be essentially 'administrative', where the increase fell below the threshold and subject to a simple statement about the systems capability.
2.	Do you believe that there are any other changes to the Proposed Modification that could form other potential options for an Alternative Modification that may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification and that should be considered by the Modification Group? *Please give rationale, stating relevant BSC Objectives.*	Yes	A comprehensive standard list of testing (and other) requirements, with provision for exemption from some or all of these in appropriate circumstances – This would provide greater clarity for applicants from the outset, and would facilitate the making of testing scope and Qualification decisions on a consistent and objective basis (Hence furthering Applicable Objective (c)).

Q	Question	Response	Rationale
3.	If the answer to Question 1 and / or 2 is yes, please indicate how the option(s) would meet the issue or defect identified by the Modification Proposal.	-	
4.	Are there any further comments on P197 that you wish to make?	Yes	1) It is important to recognise that the Modification would be made, and is to be judged, against the current baseline. Given the current known issues with processes/data quality in the industry, changes should not be made to the (re-)qualification/entry requirements without appropriate compensation for this through other Performance Assurance techniques. This may involve an increase and/or re-direction of effort and resources, and needs to be taken into account in assessing the costs and benefits of this Modification. 2) From this point of view, it would have been better if changes to the Certification, Accreditation and Entry Processes had been included as part of an integrated set of proposals coming out of the PAF Review. 3) The main purposes of Qualification and Entry processes are to provide assurance to Trading Parties that Supplier and Agent systems and processes are capable of carrying out market processes reliably and consistently in accordance with the BSC requirements, so as to assist in meeting the 2 main objectives of the Performance Assurance Framework (as clarified by the PAF Review). The emphasis should be on creating a process which is more efficient and cost-effective in this. 4) Coordinated testing does not necessarily require 'one-stop' approval – Under the current baseline the requirements of the BSC and MRA are fundamentally different. The main efficiency improvements should come through the coordination and avoidance of duplication in testing.

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Respondent:	*Name ROSIE MCGLYNN*
Company Name:	*E.ON UK*
No. of BSC Parties Represented	*17*
Parties Represented	E.ON UK plc (SVA), E.ON UK plc (CVA), Powergen Retail Ltd, Citigen (London) Ltd, Cottam Development Centre Ltd, Enizade Ltd, E.ON UK Drakelow Ltd, E.ON UK High Marnham Ltd, E.ON UK Ironbridge Ltd, Midlands Gas Ltd, Severn Trent Energy Ltd, TXU Europe (AHG) Ltd, TXU Europe (AHGD) Ltd, TXU Europe (AH Online) Ltd, Economy Power, Western Gas Ltd, Powergen Retail Gas (Eastern) Ltd
No. of Non BSC Parties Represented (e.g. Agents)	*0*
Non Parties represented	0
Role of Respondent	Supplier/Generator
Does this response contain confidential information?	*No*

Q	Question	Response	Rationale

Q	Question	Response	Rationale
1.	Do you believe that any of the potential options for an Alternative Modification set out in the consultation document may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification? *Please give rationale, stating relevant BSC Objectives:* Option 1: Qualification Board Option 2: Merge Phase 1 and Phase 2 Option 3: Optional visit to the PAB between Phase 1 and Phase 2 Option 4: All testing in Phase 2 should be witnessed Option 5: Re-Qualification to exclude Suppliers Option 6: No Qualification Limit	(1) Yes (2) Yes (3) No (4) No (5) Yes (6) Yes	The Qualification Board offers greater flexibility than the utilisation of the PAB – the QB's responsibilities may encompass activities outside of PAB's vires. **BSC objective d.** The two phase approach appears to add bureaucracy rather than removing it. **BSC objective d.** Do not see the value in two phased approach which would remove this requirement. **BSC objective d.** All testing being witnessed will be a costly approach to take and it has not been demonstrated as yet how PAB will determine the requirement for testing. **BSC objectives c and d.** The modification process has failed to demonstrate to date the value of obligating suppliers to undergo requalification. **BSC objectives c and d** A more pertinent trigger for requalification would be sudden step changes in portfolio size. **BSC objective d.**
2.	Do you believe that there are any other changes to the Proposed Modification that could form other potential options for an Alternative Modification that may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification and that should be considered by the Modification Group? *Please give rationale, stating relevant BSC Objectives.*	Yes	The co ordination with MRASCO should be more clearly defined – one of the major benefits of a streamlined entry process should be "joined up" thinking between the two governance models. A useful product would be a joint guidance document which provides new entrants with an overview of how the process will work.

Q	Question	Response	Rationale
3.	If the answer to Question 1 and / or 2 is yes, please indicate how the option(s) would meet the issue or defect identified by the Modification Proposal.	-	1) Utilising a QB rather than PAB assists with co ordination between MRASCO and Elexon 2) A one phase iterative approach appears to add more value than a two phase approach. 3) The visit to the PAB would be a moot point if the PAB are not involved in this process. 4) The scenarios which will require witness testing need to be more tightly defined, This will assist with cost and resource planning from an Elexon & MRASCO perspective. 5) The inclusion of Suppliers within the modification proposal has never been justified in terms of the risk Suppliers pose. The exclusion of Suppliers focuses the modification onto more appropriate risk areas. 6) Qualification Limits linked to MPAN numbers places a burden on participants which are not justifiable in terms of risk.
4.	Are there any further comments on P197 that you wish to make?	No	

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Respondent:	*Name Jacqueline McGuire*
Company Name:	*SAIC Ltd*
No. of BSC Parties Represented	*7*
Parties Represented	*Please list all BSC Party names of Parties responding on behalf of (including the respondent company if relevant).* Scottish Power UK plc, ScottishPower Energy Management Ltd, ScottishPower Generation Ltd, ScottishPower Energy Retail Ltd, SP Transmission Ltd, SP Manweb plc, SP Distribution Ltd
No. of Non BSC Parties Represented (e.g. Agents)	*0*
Non Parties represented	*Please list all non Parties responding on behalf of (including the respondent company if relevant).*
Role of Respondent	*(Supplier/Generator/ Trader / Consolidator / Exemptable Generator / BSC Agent / Party Agent / Distributors / other – please state [1])* Supplier / Generator / Trader / Consolidator / Exemptable Generator/Distributor
Does this response contain confidential information?	*No*

Q	Question	Response	Rationale
1.	Do you believe that any of the potential options for an Alternative Modification set out in the consultation document may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification? *Please give rationale, stating relevant BSC Objectives:*		**Option 1: Qualification Board** – Some advantages might flow from the establishment of a separate committee for this purpose, in particular the potential convergence with MRA processes and also for reduced timescales where the applicant does not need to await the next scheduled PAB meeting.
	Option 1: Qualification Board	(1) No	Nonetheless, for the latter benefit to be realised the new Board would need to operate with flexible meeting arrangements and ex-committee approvals, much like the MRA's MEPB. However, it would be far easier for the PAB to
	Option 2: Merge Phase 1 and Phase 2	(2) No	
	Option 3: Optional visit to the PAB between Phase 1 and	(3) Yes	

a)

[1] Delete as appropriate – please do not use strikeout, this is to make it easier to analyse the responses

Q	Question	Response	Rationale
	Phase 2 Option 4: All testing in Phase 2 should be witnessed Option 5: Re-Qualification to exclude Suppliers Option 6: No Qualification Limit	(4) No (5) No (6) No	simply modify its practices and take such decisions at specially convened meetings if necessary - the PAB ToRs allow for special, teleconference meetings. Alternatively, the role of market entry arbiter could easily pass to one of the other standing committees (for example, SVG or ISG could be used depending on the applicants intended role) rather than a newly established board. With regards to any potential convergence between the BSC and MRA processes in this regard, while that may be desirable, it is by no means certain. We should not amend the BSC on the basis of what might happen elsewhere. Therefore we do not believe that this Alternative is better than the original Mod or the existing baseline. **Option 2: Merge Phase 1 and Phase 2** – If the entry process could be administered with a greater degree of subjectivity, then this option would be more appealing. However, as it is, subjectivity is a luxury that really cannot be afforded ELEXON or its agents. Moreover, the PAB's responsibilities to other Trading Parties will likely make it disinclined to waive any part of the process. In any case, the entry process tests are designed to scrutinize the ability of the **people** to operate the processes, monitor their reactions to the stress of the workload and measure their knowledge of the role and where to look for answers when exceptions occur. This could not be achieved without the site visit expected in phase 2. It is, therefore, doubtful that it will ever be possible complete sufficient testing in phase 1, without restricting the requirements to system input / output. We do not believe that this would be satisfactory. Therefore we do not believe that this Alternative is better than the original Mod or the existing baseline. **Option 3: Optional visit to the PAB between Phase 1 and Phase 2** –

Q	Question	Response	Rationale
			Awaiting scheduled PAB meetings is a significant factor in delaying entry to the market. Therefore, devolving authority to approve progress to the second phase to ELEXON would be sensible, provided it uses some fairly standard criteria in determining the appropriateness of this in each case. However, it should also be noted that the same benefits could be realised were PAB to alter its approach to such decision making and allow special teleconference meetings to be convened where the timescales of scheduled meetings do not meet with the applicant's needs. While we believe this option to be better than the proposed Mod, we do not think it better than the current baseline. **Option 4: All testing in Phase 2 should be witnessed** – If the principle is moving away from witnessed activities and on to self assessment, it seems somewhat contradictory to insist that all testing in phase two be witnessed. However, the applicants themselves may derive considerable benefits from such site visits and so we would suggest that the test witnessing should be optional. Nonetheless, we do not believe that this option is better than the proposed Mod, which we also consider inferior to the current baseline. **Option 5: Re-Qualification to exclude Suppliers** – It is clear that Suppliers play a significant role in Settlements and that any failure of their systems or processes will, likewise, have a significant impact. For example, incomplete registrations, which can arise when the agent appointment process fails, may result in consumption not being submitted to Settlements. We do not, therefore, consider this alternative to be better than the proposed mod. **Option 6: No Qualification Limit** – Applicants are not obliged to use any particular systems and may, if they chose to do so, develop bespoke

Q	Question	Response	Rationale
			solutions. Volume testing, which is an important element of the existing entry process tests, must therefore be included in any future process. Of course, it is not only the systems, but the staff that must be able to cope in circumstances where the numbers of metering systems exceed predicted levels. As volume thresholds are breached, recent entrants might find their resources being stretched, which could, in turn, increase other participants' risk exposure.
2.	Do you believe that there are any other changes to the Proposed Modification that could form other potential options for an Alternative Modification that may better facilitate the achievement of the Applicable BSC Objectives when compared to the Proposed Modification and that should be considered by the Modification Group? *Please give rationale, stating relevant BSC Objectives.*	Yes	A major issue facing the industry is basic staff competency and a lack of adequate training. This Modification might present an opportunity to address this issue for new entrants. To this end, the ELEXON staff could administer a short, role orientated, test to applicants during the scheduled site visit, awarding a 'competency certificate' to the relevant staff members upon successful completion of the test. The tests themselves could be drawn from banks of questions, which could be available on the ELEXON website, and be balanced with general industry knowledge. For new entrants, this would provide some assurance that the individual staff members have undergone adequate training, or been exposed to sufficient industry experience. While, there would be no obligation to undertake such a test, the PAB might look favourably on applicants that had and it could be especially useful where the applicant was aiming to reduce witnessed testing. An alternative approach could be to simply tighten up the requirements of the existing SACR in the area of training and succession planning, such that specific milestones are established at market entry and subjected to the periodic scrutiny of the BSC Auditor.

Q	Question	Response	Rationale
3.	If the answer to Question 1 and / or 2 is yes, please indicate how the option(s) would meet the issue or defect identified by the Modification Proposal.	Q2	Greater assurance that a standard level of competency had been reached in a particular discipline could be achieved through an optional policy of staff certification.
4.	Are there any further comments on P197 that you wish to make?	Yes	The entry process tests **should** be prescriptive as this better prepares the entrants for the testing requirements, enabling more accurate resource planning. The existing EPT scripts are perfectly suited to this purpose.

Parties are encouraged to provide financial information with regard to either the costs or benefits of the Modification Proposal to support the Assessment Procedure. Where requested this information can be treated as confidential, although all information will be provided to the Authority.

Please send your responses by **17:00 on Thursday 23 March 2006** to modification.consultations@elexon.co.uk and please entitle your email 'First P197 **Assessment Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Modification Group.

Any queries on the content of the consultation pro-forma should be addressed to Katie Key on 020 7380 4376, email address Katie-Ann.Key@elexon.co.uk or Geoffrey Sekyere-Afriyie on 020 7380 4377, email address Geoffrey.sekyereafriyie@elexon.co.uk.