

## Responses from P62 Definition Consultation

Consultation issued 21 February 2002

Representations were received from the following parties:

<b>No</b>	<b>Company</b>	<b>File Number</b>	<b>No. Parties Represented</b>
1.	TXU Europe	P62_DEF_001	14
2.	Npower Ltd	P62_DEF_002	9
3.	LE Group	P62_DEF_003	4
4.	GPU Power Networks	P62_DEF_004	1
5.	British Gas Trading	P62_DEF_005	4
6.	Scottish & Southern Energy plc	P62_DEF_006	4
7.	SEEBOARD	P62_DEF_007	2
8.	Western Power Distribution	P62_DEF_008	2
9.	Scottish Power	P62_DEF_009	6
10.	NGC	P62_DEF_010	1
11.	Powergen	P62_DEF_011	3
12.	British Energy Group	P62_DEF_012	3

P62\_DEF\_001 – TXU Europe

<b>Respondent:</b>		Philip Russell
<b>Representing (please list all parties):</b>		TXU - 14 BSC Parties
<b>Question</b>		<b>Response</b>
<b>Q1</b>	<b>Do you agree with the Modification Group, that the DBFG recommendations for Option 7, and hence the proposed solution for P62, should be accepted and used as the starting point for Modification P62? (see Section 5.1)</b>	<b>Yes</b>
<b>Rationale:</b> We believe this to be least change solution for the Industry which facilitates the introduction of new Distribution System Operators.		
<b>Q2</b>	<b>Do you agree with the Modification Group that the areas identified in the IWA as being outside the scope of P62 are valid exclusions, and should not be progressed within P62? (see Section 5.2)</b>	<b>Yes</b>
<b>Rationale:</b> With the exception of the Directly Connected new DB it is not necessary for the BSC to say anything although we agree that resolution is necessary for a complete solution. On the Directly Connected issue we agree that the timescales are such that it could be the subject of a separate Modification proposal.		
<b>Q3</b>	<b>With respect to P62 do you agree with the suggested treatment of the Desirable Requirements in [RD/2] proposed by the Modification Group? (see Section 5.4)</b>	<b>Yes</b>
<b>Rationale:</b> Requirement 5.5.1. We do not consider it desirable that DAs should validate flows from SMRA to insist that the Distribution Business is operating in the GSP Group. This could lead to a Catch 22 if DA rejects a combination of data acceptable to SMRA. It was just such a mismatch of validation rules (Profile Class & SSC per GSP Group) that caused operational problems, followed by a costly change, in 1999. We should learn from such costly experiences.  In other respects, we agree with the statements in the Consultation document.		
<b>Do you have any further comments on Modification Proposal P62?</b>		

P62\_DEF\_002 – Npower Ltd

<b>Respondent:</b>		Richard Harrison, Npower Limited
<b>Representing (please list all parties):</b>		Innogy plc, Innogy Cogen Limited, Innogy Cogen Trading Limited, Npower Limited, Npower Direct Limited, Npower Northern Limited, Npower Northern Supply Limited, Npower Yorkshire Limited and Npower Yorkshire Supply Limited
<b>Question</b>		<b>Response</b>
<b>Q1</b>	<b>Do you agree with the Modification Group, that the DBFG</b>	<b>No</b>

	<b>recommendations for Option 7, and hence the proposed solution for P62, should be accepted and used as the starting point for Modification P62? (see Section 5.1)</b>	
<b>Rationale:</b> Unless some means is found of ensuring that the New Supplier always has the correct MPAN including the necessary fields to determine both the correct SMRA and GSP Group (and that their systems can work this out), this change is likely to result in a significant increase in erroneous registrations.		
<b>Q2</b>	<b>Do you agree with the Modification Group that the areas identified in the IWA as being outside the scope of P62 are valid exclusions, and should not be progressed within P62? (see Section 5.2)</b>	Yes
<b>Rationale:</b> These are pragmatic exclusions. However, it would seem appropriate to consider how robust the proposed solution is against these issues.		
<b>Q3</b>	<b>With respect to P62 do you agree with the suggested treatment of the Desirable Requirements in [RD/2] proposed by the Modification Group? (see Section 5.4)</b>	Yes
<b>Rationale:</b> <b>Do you have any further comments on Modification Proposal P62?</b>  1) A clear process is needed for ensuring that when the threshold for a new Distribution Licence is met, the necessary standing data is set up for the new Distributor/SMRS in a timely fashion so that the Metering Systems can be registered correctly. (It is not clear that this can always be done without transferring existing Metering Systems from another SMRS.)  2) We are not convinced that this Modification as currently proposed will actually help competition in Supply generally. While we appreciate the potential benefits of competition to customers on these networks, the proposed solution clearly leads to a more complicated and risky process for new Suppliers, particularly those not linked with a Distribution business.		

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**P62\_DEF\_003 – LE Group**

<b>Respondent:</b>	LE Group	
<b>Representing (please list all parties):</b>	London Electricity plc, SWEB Ltd, Jade Power Generation Ltd and Sutton Bridge Power Ltd.	
<b>Question</b>		<b>Response</b>
<b>Q1</b>	<b>Do you agree with the Modification Group, that the DBFG recommendations for Option 7, and hence the proposed solution for P62, should be accepted and used as the starting point for Modification P62? (see Section 5.1)</b>	Yes
<b>Rationale:</b>		

<b>Q2</b>	<b>Do you agree with the Modification Group that the areas identified in the IWA as being outside the scope of P62 are valid exclusions, and should not be progressed within P62? (see Section 5.2)</b>	Yes
<b>Rationale:</b> For the exclusion: "registration of the metering point between two distribution networks in CMRS". We appreciate that data from this meter is not required for Settlement at Supplier level. However, data from Boundary Point metering will be needed for DUoS purposes and possible investigation of GSP Group Correction factors. We would wish to see this matter addressed shortly.		
<b>Q3</b>	<b>With respect to P62 do you agree with the suggested treatment of the Desirable Requirements in [RD/2] proposed by the Modification Group? (see Section 5.4)</b>	Yes
<b>Rationale:</b> <b>Do you have any further comments on Modification Proposal P62?</b>		

Paul Chesterman  
For Liz Anderson  
Energy Strategy & Regulation Manager  
London Electricity Group  
28 February 2002

**P62\_DEF\_004 – GPU Power Networks**

<b>Respondent:</b> Craig Finn		
<b>Representing (please list all parties):</b>		GPU Power Networks (PDSO)
<b>Question</b>		<b>Response</b>
<b>Q1</b>	<b>Do you agree with the Modification Group, that the DBFG recommendations for Option 7, and hence the proposed solution for P62, should be accepted and used as the starting point for Modification P62? (see Section 5.1)</b>	Yes
<b>Rationale:</b> We still have reservations and believe, as previously stated, that this solution will ultimately create customer confusion. Considering that a proportion of customers are not even aware of the identity of their current electricity Supplier, it's less likely that they would be aware of the identity of their Distributor in the event of, for example power loss. This problem will be further compounded by the fact that the customer's metering point details could potentially be lodged on an SMRS database in an entirely different ex-PES geographic area.		
<b>Q2</b>	<b>Do you agree with the Modification Group that the areas identified in the IWA as being outside the scope of P62 are valid exclusions, and should not be progressed within P62? (see Section 5.2)</b>	Yes

<b>Rationale:</b> We agree, given that the 'core objectives' of the proposal are to achieve "One Distribution Business equals one SMRS system".  However, our support for Option 7 is dependent on the acceptance of the Modification Proposal referred to in section 5.2 which relates to requirement 5.6.2. (registration of boundary metering in CMRS).		
<b>Q3</b>	<b>With respect to P62 do you agree with the suggested treatment of the Desirable Requirements in [RD/2] proposed by the Modification Group? (see Section 5.4)</b>	Yes
<b>Rationale:</b> We agree, provided that 5.2.2 refers only to NEW SMRS systems being subject to an entry process.  Also 5.5.1 is essential if the one to one relationship is to work, since PC/SSC validation will otherwise be impossible.		
<b>Do you have any further comments on Modification Proposal P62?</b>		

#### **P62\_DEF\_005 – British Gas Trading**

Thank you for the opportunity to respond to this first consultation document on Modification Proposal P62. This response is on behalf of British Gas Trading Ltd, Accord Energy, Centrica King's Lynn and Centrica Peterborough.

We believe that P62 would better facilitate the applicable BSC Objectives and would like to re-iterate that we believe it will;

- (i) promote effective competition in the generation and supply of electricity, and (so far as consistent therewith) promote such competition in the sale and purchase of electricity and,
- (ii) promote efficiency in the implementation and administration of the balancing and settlement arrangements.

We have completed the supplementary questionnaire to Mod 62 and we support Mod 62

Should you like to clarify any of the above points please feel free to give me a call.

Yours Faithfully, Andrew Latham

<b>Respondent:</b>	Andrew Latham	
<b>Representing (please list all parties):</b>	British Gas Trading Ltd, Accord Energy, Centrica King's Lynn and Centrica Peterborough.	
<b>Question</b>		<b>Response</b>
<b>Q1</b>	<b>Do you agree with the Modification Group, that the DBFG recommendations for Option 7, and hence the proposed solution for P62, should be accepted and used as the starting point for Modification P62? (see Section 5.1)</b>	Yes

<b>Rationale:</b> We believe that this is the only feasible option for the Industry at this time. We have been fully involved in both the DBFG and the Registration and Settlements sub –group and therefore understand and support the requirement for this option.		
<b>Q2</b>	<b>Do you agree with the Modification Group that the areas identified in the IWA as being outside the scope of P62 are valid exclusions, and should not be progressed within P62? (see Section 5.2)</b>	Yes
<b>Rationale:</b> The excluded areas have been fully discussed at the DBFG and internally within British Gas. We are in full agreement with this proposal.  Whilst the comment above reflects our views that these are valid exclusions from this modification we would not wish the industry to lose sight of the validity of the issues that have been raised. We would therefore wish to see owners assigned to each of the excluded areas.		
<b>Q3</b>	<b>With respect to P62 do you agree with the suggested treatment of the Desirable Requirements in [RD/2] proposed by the Modification Group? (see Section 5.4)</b>	Yes
<b>Rationale:</b> Issues raised from the various groups were categorised with the full intention of performing a review on each. This process has the full support of and has correctly identified the views of British Gas.		
<b>Do you have any further comments on Modification Proposal P62?</b> British Gas fully supports this modification.		

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## **P62\_DEF\_006 – Scottish & Southern Energy plc**

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 three consultation questions listed in the Initial Consultation document contained within your note of 21st February 2002 concerning Modification P62, our comments are as follows:

**1. Do you agree with the Modification Group, that the DBFG recommendations for Option 7, and hence the proposed solution for P62, should be accepted and used as the starting point for Modification P62? (see Section 5.1)?**

Yes. This seems to be the only enduring longer term option.

**2. Do you agree with the Modification Group that the areas identified in the IWA as being outside the scope of P62 are valid exclusions, and should not be progressed within P62? (see Section 5.2)?**

No. We believe that it is reasonable to expect further debate on what / how new LLFs will be treated.

**3. With respect to P62 do you agree with the suggested treatment of the Desirable Requirements in [RD/2] proposed by the Modification Group? (see Section 5.4)?**

Yes. Furthermore, we believe that if this proposed solution isn't available within 12 months (i.e. by March 2003) then Option 1a should be allowed as an interim solution.

Regards  
Garth Graham  
Scottish & Southern Energy plc

**P62\_DEF\_007 – SEEBOARD**

<b>Respondent:</b>		Dave Morton
<b>Representing (please list all parties):</b>		SEEBOARD Energy Limited SEEBOARD Power Networks plc
<b>Question</b>		<b>Response</b>
<b>Q1</b>	<b>Do you agree with the Modification Group, that the DBFG recommendations for Option 7, and hence the proposed solution for P62, should be accepted and used as the starting point for Modification P62? (see Section 5.1)</b>	No
<b>Rationale:</b> We do not feel that this option adequately covers all issues surrounding this modification. Further work is required to examine all issues raised and with this in mind we will be attending next modification group meeting to provide further detail. Option 1 is considered by us to provide a more appropriate start point of the three detailed within this initial consultation report.		
<b>Q2</b>	<b>Do you agree with the Modification Group that the areas identified in the IWA as being outside the scope of P62 are valid exclusions, and should not be progressed within P62? (see Section 5.2)</b>	Yes
<b>Rationale:</b>		
<b>Q3</b>	<b>With respect to P62 do you agree with the suggested treatment of the Desirable Requirements in [RD/2] proposed by the Modification Group? (see Section 5.4)</b>	Yes
<b>Rationale:</b>		
<b>Do you have any further comments on Modification Proposal P62?</b>		

**P62\_DEF\_008 – Western Power Distribution**

<b>Respondent:</b>		Graham Smith
<b>Representing (please list all parties):</b>		Western Power Distribution (South West) Western Power Distribution (South Wales)
<b>Question</b>		<b>Response</b>
<b>Q1</b>	<b>Do you agree with the Modification Group, that the DBFG recommendations for Option 7, and hence the proposed solution for P62, should be accepted and used as the starting point for Modification P62? (see Section 5.1)</b>	Yes

<b>Rationale:</b>		
<b>Q2</b>	<b>Do you agree with the Modification Group that the areas identified in the IWA as being outside the scope of P62 are valid exclusions, and should not be progressed within P62? (see Section 5.2)</b>	Yes
<b>Rationale:</b>		
<b>Q3</b>	<b>With respect to P62 do you agree with the suggested treatment of the Desirable Requirements in [RD/2] proposed by the Modification Group? (see Section 5.4)</b>	Yes
<b>Rationale:</b>		
<b>Do you have any further comments on Modification Proposal P62?</b>		

**P62\_DEF\_009 – Scottish Power**

<b>Respondent:</b>		Man Kwong Liu
<b>Representing (please list all parties):</b>		Scottish Power UK Plc. ScottishPower Energy Trading Ltd. Scottish Power Generation Ltd. Scottish Power Energy Retail Ltd. SP Transmission Ltd. SP Manweb Plc
<b>Question</b>		<b>Response</b>
<b>Q1</b>	<b>Do you agree with the Modification Group, that the DBFG recommendations for Option 7, and hence the proposed solution for P62, should be accepted and used as the starting point for Modification P62? (see Section 5.1)</b>	Yes (but see comments below)
<b>Rationale:</b>		
<p><b>Table 3.1 states various options:-</b></p> <p><b>Option B - is not suitable as it has Settlement Issues.</b></p> <p>Option C - adds too much complexity with no perceived benefit.</p> <p>Option 1 – Described using additional characters within the MPAN to identify the Distributor. ScottishPower has experience of using a similar process for the registration of SDP MPANs (in Scotland) which has proved to be not an ideal solution. We would therefore not favour this option.</p> <p>Option 1a – As described, this is a short-term solution and the limitations mentioned are too considerable e.g. LLFC not contained in all relevant DTC flows.</p> <p><b>Option 4 – ScottishPower would not favour this option as we currently have 2 networks and only 1 SMRS.</b></p> <p>Option 10 – Loses the link between the MPAN core and SMRS. If this option were selected Suppliers would not know from the MPAN which SMRS to register with.</p>		

Q2	<b>Do you agree with the Modification Group that the areas identified in the IWA as being outside the scope of P62 are valid exclusions, and should not be progressed within P62? (see Section 5.2)</b>	Yes ( but see comments below)
<p><b>Rationale:</b></p> <p>Point 1: Whilst we are willing to accept that new networks which may connect directly to the Transmission System are not an immediate issue, we would like an assurance that there will be a forum to progress and resolve these issues sooner rather than later.</p> <p><b>Point 2: It is recognised that both Distributors will want metering at the point of connection for DUoS (and other) purposes but there is no requirement for this metering for settlement purposes.</b></p> <p>It should be noted that at the DBFG meeting held on 4<sup>th</sup> February 2002 it was agreed that a draft modification to P62 to allow inter distributor metering to be registered in CMRS under the BSC rules would be raised and circulated to the DBFG for input prior to submission to the BSC Panel in March. In addition, it was highlighted that the above P62 modification for inter distributor metering may not be appropriate for the Scottish Settlements processes. For this reason SESL are to provide the S&amp;RG &amp; DBFG with an assessment of the impact of registering inter distributor metering under SAS arrangements. The ability to register inter distributor metering under an industry recognised code is fundamental to SP Transmission and Distribution, therefore a further modification should be raised to allow such metering to be registered in CVA in order that the data may be collected and transmitted using the CDCA processes (but not used in settlement).</p> <p>Point 3: We agree with the proposal – It is envisaged that the LLFs for MPANs within the embedded network will be submitted by the embedded Distributor and will include an element to cover losses in the host network. Similarly, the Supplier will be billed for DUoS by the embedded Distributor only, incorporating an element to cover the host Distributor's charges. The two Distributors will then settle between themselves, on the basis of appropriate Connection and DUoS agreements</p> <p>Point 4: We agree that there should be no transferring of meter points.</p>		
Q3	<b>With respect to P62 do you agree with the suggested treatment of the Desirable Requirements in [RD/2] proposed by the Modification Group? (see Section 5.4)</b>	Yes ( but see comments below)
<p><b>Rationale:</b></p> <p>5.2.2 We agree. The Mods Group were told that a new Distributor's SMRA ID will be different from that of any existing SMRA who might agree to provide the SMRS on behalf of the new Distributor. Therefore, the entry processes would be necessary for Suppliers to test that flows to and from the new SMRA ID are processed successfully.</p> <p>5.5.1 We agree that this appears reasonable, but impacts an already large data flow. Reassessment will take place when the business case is established.</p> <p>5.6.2 We agree, however please refer to Point 2 with regards to raising the Modification</p>		

above.

5.7.1 We agree that SVAA should validate files against standing data.

**Do you have any further comments on Modification Proposal P62?**

Whilst SP Transmission and Distribution agree with the DBFG recommendation for Option 7, there are issues with regard to this option which are particular to Scotland. These issues are still being discussed and progressed, and the resolution or otherwise of these issues will be of significant importance to SP Transmission and Distribution.

We agree that P62 should proceed as stated but the additional Modification(s) should be progressed as soon as possible.

Cost recovery – What is the mechanism for recovering one-off and ongoing costs and who is responsible for these costs?

**P62\_DEF\_010 – NGC**

<b>Respondent:</b>		National Grid
<b>Representing (please list all parties):</b>		
<b>Question</b>		<b>Response</b>
<b>Q1</b>	<b>Do you agree with the Modification Group, that the DBFG recommendations for Option 7, and hence the proposed solution for P62, should be accepted and used as the starting point for Modification P62? (see Section 5.1)</b>	Yes (subject to comments below)
<b>Rationale:</b> The proposed mechanism for P62 is summarised that each Distribution Licensee procures or operates a single SMRS incorporated within the relevant GSP Group under the current rules. However, we would like to reiterate the significance of the GSP Group as the only geographical identifier of demand. It is important that this structure is maintained in the development of the registration and settlement options taken forward in association with this modification proposal.  As we raised previously in our response to the Focus Group consultation, there is an implicit assumption in the BSC, Grid Code and Charging Methodology that metered demand is correctly assigned to Supplier BM Units associated with GSP groups. This ensures that a direct relationship is maintained between the physical location of demand and the geographic coverage of the GSP Group. Any change to this relationship would have a significant impact on these documents and to any future developments concerning locational losses and Transmission Access.		
<b>Q2</b>	<b>Do you agree with the Modification Group that the areas identified in the IWA as being outside the scope of P62 are valid exclusions, and should not be progressed within P62? (see Section 5.2)</b>	No
<b>Rationale:</b> Whilst a period of two years would be necessary in order to build and establish a connection to the Transmission System, we are aware of the existence of Private Distribution Networks already directly connected to the Transmission System. These PDNs		

could apply for a distribution licence which could be in place in less than two years.		
<b>Q3</b>	<b>With respect to P62 do you agree with the suggested treatment of the Desirable Requirements in [RD/2] proposed by the Modification Group? (see Section 5.4)</b>	Yes / No
<b>Rationale:</b> We do not have sufficient information to offer a view on this issue.		
<b>Do you have any further comments on Modification Proposal P62?</b>		

**P62\_DEF\_011 – Powergen**

<b>Respondent:</b>		Paul Jones
<b>Representing (please list all parties):</b>		Powergen UK plc, Powergen Retail Limited, Diamond Power Generation Limited and Cottam Development Centre Limited
<b>Question</b>		<b>Response</b>
<b>Q1</b>	<b>Do you agree with the Modification Group, that the DBFG recommendations for Option 7, and hence the proposed solution for P62, should be accepted and used as the starting point for Modification P62? (see Section 5.1)</b>	Yes
<b>Rationale:</b> A solution has to be found to the issue and initial indications appear to be that Option 7 is the best solution.		
<b>Q2</b>	<b>Do you agree with the Modification Group that the areas identified in the IWA as being outside the scope of P62 are valid exclusions, and should not be progressed within P62? (see Section 5.2)</b>	Yes
<b>Rationale:</b>		
<b>Q3</b>	<b>With respect to P62 do you agree with the suggested treatment of the Desirable Requirements in [RD/2] proposed by the Modification Group? (see Section 5.4)</b>	Not all
<b>Rationale:</b> This answer is made assuming that requirement 5.2.2 is to test all supplier hubs, including those containing existing SMRSs. Entry processing should be minimised to avoid an unnecessarily large testing exercise.		
<b>Do you have any further comments on Modification Proposal P62?</b>		
<p>As this is a fundamental change to the SVA process, the impact on industry parties and central systems should be fully assessed.</p> <p>Additionally, the transition to the new process will have to be planned for accordingly. Our initial view is that a settlement day implementation would be preferable, although this will become clearer as the implementation plan is further developed.</p> <p>As this is likely to be a significant change for a number of participants, timescales for implementation will be important. Sufficient advanced notice of the implementation date will be required.</p> <p>There are possible implications for the MRA.</p>		

## **P62\_DEF\_012 – British Energy**

This modification proposal raises significant issues concerning the competitive supply arrangements, and highlights some of the design weaknesses of the software systems and processes currently in place. The consultation appears to suggest that significant change to some of these systems and processes may be necessary, both within and outside the scope of the BSC.

Experience suggests that even relatively simple fixes to existing systems can be expensive and take a long time, even more so when the costs of participants changes are considered. Significant changes to the arrangements should only be undertaken following a wider review of how future developments in commercial arrangements and software systems can promote efficiency and effective competition. The cost of modifications should be taken into account and weighed against the competitive benefits achievable for customers within "private" networks. The potential demand for such services should be considered.

Any quick fix to facilitate supply competition in new licensed distribution networks should be undertaken at minimum cost. The cost of installing and operating half-hourly meters at all affected entry and exit points (to overcome problems associated with NHH meters) and the cost of registering entry and exit points in CVA or with an alternatively procured central registration agent, should be considered as an alternative to expensive changes to existing systems.

Martin Mate  
for  
British Energy Power & Energy Trading Ltd  
British Energy Generation Ltd  
Eggborough Power Ltd

This message has been sent from the British Energy Group.