



**Modification Proposal P63: Change of Contract Management of MPANs for DCs,  
DAs and MOs**

**A Second Assessment Procedure Consultation Document**

**For Attention of Parties, Party Agents and Supplier Meter Registration Agents**

**Date of Issue: 20 May 2002**

**Responses Due: 12 noon Friday 31 May 2002**

**(Responses should be sent to: [Modifications@elexon.co.uk](mailto:Modifications@elexon.co.uk) and entitled: "P63 Assessment Consultation 2")**

**1. Introduction**

Modification Proposal P63 was raised by British Gas Trading on 6 January 2002. The Modification Proposal suggests that an obligation is placed within the Balancing and Settlement Code (BSC) to ensure that it is possible to undertake changes of Party Agent for large volumes of metering systems. The Modification Proposal suggested that there was an existing restriction of 20,000 transfers within ELEXON systems and process<sup>1</sup>.

An Initial Written Assessment (IWA) was presented to the Balancing and Settlement Code Panel (the Panel) meeting on 17 January 2002. The IWA proposed that the Modification Proposal be submitted to the Definition Procedure and that this work be undertaken by the Volume Allocation Modification Group (VAMG).

A Definition Procedure Consultation Document was issued on 20 February 2002 outlining the issues identified by both the IWA and the VAMG. The Consultation Document requested BSC Parties identify any further issues they would like the VAMG to consider on Modification Proposal P63 as well as to provide information relating to their preferred implementation options.

A Definition Report was presented to the Panel meeting on 14 March 2002. The Panel determined that Modification Proposal P63 be submitted to a 3-month Assessment Procedure with an Assessment Report being presented to the Panel meeting on 18 July 2002 with an Interim Report being presented to the Panel meeting on 13 June 2002. The purpose of the Interim Report was to provide an update on the progress of the Assessment of Modification Proposal P63 together with a request to seek an extension to the Assessment Procedure timetable should this be required.

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<sup>1</sup> During the progression of the Modification Proposal through the Definition Procedure, the VAMG recognised that the constraints mentioned in the Modification Proposal did not exist within any ELEXON systems or processes and that these constraints existed in Party, Party Agent or SMRA systems.

## 2 Modification Group Discussions

The VAMG has met three times during the Assessment Procedure of P63 on 25 March 2002, 16 April 2002 and 2 May 2002. A further meeting is planned for 5 June 2002. A consultation document was issued by the VAMG on 28 March 2002 in order to determine the extent of constraints that exist within systems and processes (see Annex 1 for a summary of responses). The responses were considered by the VAMG on 16 April 2002. The VAMG noted that the level of constraints identified by respondents to the consultation was considerably lower than those identified by the Proposer of Modification Proposal P63. Furthermore, the VAMG also noted that the respondents provided no rationale to justify such constraints. It was suggested at this meeting that some of the constraints identified by, in particular SMRAs, could be alleviated if the Supplier were to enter into commercial arrangements with each SMRA.

At the meeting on 16 April 2002, the VAMG considered an option for solving the defect identified by Modification Proposal P63. This was to use a CD-ROM to transfer the relevant data from the Supplier to the affected Party Agents and SMRAs in the event of a Bulk Transfer of Party Agent appointments (Bulk Transfer). The purpose of this alternative mechanism for data transfer would not only alleviate the number of data flows sent by all Parties and Party Agents across the Data Transfer Network (DTN) but also to ensure that control of the overall process remains with the initiating Supplier at all times.

### ***Accuracy of Data Entering Settlement***

The VAMG considered the affects of a possible Bulk Transfer process on the quality of data entering Settlement. The VAMG concluded, that whilst the inconsistencies in the quality of data would be more visible, there would not necessarily be a degradation of its quality if the appropriate checks were put in place to ensure that only qualified Supplier Hubs were allowed to initiate such a Bulk Transfer process. The VAMG believed that better quality data would enter Settlement if a Party were transferring to a better performing Party Agent and existing processing checks on data were included within any new process.

It was on this basis that the VAMG concluded that further, more detailed assessment of the proposed Bulk Transfer process was needed and requested that ELEXON develop a high level Requirements Specification for such a process.

### ***High Level Requirements Specification***

A High Level Requirements specification was prepared by ELEXON and discussed by the VAMG at their meeting on 2 May 2002. A copy of this High Level Requirements Specification, amended to take into account the comments of the VAMG, is attached to this consultation. The key features of the Bulk Transfer Process included within this High Level Requirements Specification are:

- Control and management of the process remains with the initiating Supplier at all times;
- An obligation will exist on the initiating Supplier to retain relevant information in order to initiate the process; (see later discussion)

- Reliance on data from the outgoing Party Agent is reduced because any relevant data will be provided by the initiating Supplier;
- A process is included which requires the initiating Supplier to apply to the Performance Assurance Board prior to initiating the Bulk Transfer process<sup>2</sup>; and
- All relevant data would be transferred to each Agent directly from the initiating Supplier.

The Bulk Transfer Process described within the High-Level Requirements Specification originally introduced a new obligation on all Suppliers to retain sufficient information prior to initiating the process in order to reduce the reliance on the outgoing agent. The VAMG expressed some concern that it would be too onerous for all Suppliers to retain copies of the relevant information if they had no intention of initiating the Bulk Transfer process. The VAMG suggested that such an obligation should be diluted to one that only required a Supplier to collect and collate the relevant information prior to the initiation of Bulk Transfer process.

### ***Potential Alternative Modification***

The VAMG considered whether a possible Alternative Modification existed covered a Bulk Transfer that only operated in the case of Party Agent Failure. However, the VAMG did not feel that a Bulk Transfer operated only in the case of Agent Failure would adequately address the defect identified by Modification Proposal P63.

However, the VAMG did believe there was merit in developing an Alternative Modification that included not only Party Agent Failure but also all of the elements of a voluntary Supplier initiated Bulk Transfer process as outlined above. The potential Alternative Modification would however involve the reintroduction of the obligation on the Supplier to retain sufficient data, such that they could invoke a Bulk Transfer process in the event of Party Agent Failure without the need to resort to requesting such data from the failing Party Agent.

### ***Cost and Cost Allocation***

The VAMG discussed the issues relating to costs and cost allocation<sup>3</sup> and concluded that it was appropriate for any costs involved in developing systems for a Bulk Transfer process initiated by a Supplier should be borne by that Supplier. The VAMG considered that there would probably be little or no changes to BSC Systems and as such the matter of cost allocation was not a matter that warranted further consideration.

### ***Assessment Procedure***

The VAMG considered the level of detailed information required in order to fully assess Modification Proposal P63 against the applicable BSC Objectives and concluded it would be necessary to develop the relevant changes to the Balancing and Settlement Code Procedures that would be required were the solutions discussed by the VAMG to be adopted. It was

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<sup>2</sup> Such an application will include the initiating Supplier developing a Plan for the Bulk Transfer showing that the Supplier has sufficient resources in place to deal with the transfer.

<sup>3</sup> Part of the potential Alternative Modification deals with the requirements that are created as a result of Party Agent failure. The cost and cost allocation mechanism for the potential Alternative Modification will be discussed at the next meeting of the VAMG.



agreed that an initial consultation would be initiated based on the High Level Requirements Specification (this consultation) and that this consultation is followed up in due course with a further consultation on where the detailed BSCPs changes should be included.

The VAMG recognised that in order to develop the necessary changes to the BSCPs and undertake a consultation and impact assessment on the effect of these it would require additional time within the Assessment Procedure. The VAMG accordingly made a request to the BSC Panel at their meeting on 16 May 2002 to extend the Assessment Procedure by an additional 3 months with an Assessment Report being presented to the Panel at their meeting of 12 September 2002. The Panel agreed to this request however it was suggested that if the Modification Group could not determine that a solution existed then a report should be presented to an earlier Panel meeting.

### **3. Consultation**

This Consultation asks respondents to review the attached High Level Requirements Specification for Modification Proposal P63 and provide answers relating to the questions on the attached pro-forma providing where possible rationale for their answers.

Please send your responses by 12 noon Friday 31 May 2002 to the following email address:  
[Modifications@elexon.co.uk](mailto:Modifications@elexon.co.uk)

Please entitle your email '**P63 Assessment Consultation 2**'

Any queries on the content of the consultation pro-forma should be addressed to Richard Clarke (020 7380 4304). Email address: [Richard.Clarke@elexon.co.uk](mailto:Richard.Clarke@elexon.co.uk)

List of documents enclosed:

*P63 High Level Requirements Specification*

*Copy of Modification Proposal P63*

*Consultation Pro-forma questionnaire*