

## ANNEX 4 – ASSESSMENT CONSULTATION RESPONSES

Representations were received from the following parties:

No	Company	File Number	No. Parties Represented
1.	TXU	P53_ASS_001	13
2.	NGC	P53_ASS_002	1
3.	British Gas Trading	P53_ASS_003	4
4.	SEEBOARD	P53_ASS_004	2
5.	LE Group	P53_ASS_005	5
6.	British Energy	P53_ASS_006	3
7.	Innogy Group plc	P53_ASS_007	9
8.	Scottish & Southern Energy plc	P53_ASS_008	4
9.	Scottish Power UK plc	P53_ASS_009	7
10.	Intergen UK Ltd	P53_ASS_010	4

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### P53\_ASS\_001 – TXU

**Organisation: TXU**

**Responding on behalf of: 13 Parties**

Q	Question	Response
Q1	Do you support Modification Proposal P53?	YES  Rationale: More cost effective to change Code to what the software does than change the software to meet the current Code requirements.
Q2	Do you believe that Modification Proposal P53 better facilitates achievement of the Applicable BSC Objectives?	YES  Rationale: (d)
Q3	Does Modification Proposal P53 impact your systems / processes?	<b>YES / NO</b>  <b>Comment:</b>

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### P53\_ASS\_002 – NGC

**Organisation: NGC** Provided in ANNEX 3 of this Assessment Report

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**P53\_ASS\_003 – British Gas Trading**

**Organisation: BGT, Accord, CKL, CPL**

Q	Question	Response
Q1	Do you support Modification Proposal P53?	<b>YES</b> <b>Rationale:</b>
Q2	Do you believe that Modification Proposal P53 better facilitates achievement of the Applicable BSC Objectives?	<b>YES</b> <b>Rationale:</b>
Q3	Does Modification Proposal P53 impact your systems / processes?	<b>NO</b>

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**P53\_ASS\_004 – SEEBOARD**

**Organisation: SEEBOARD**

**Responding on behalf of: SEEBOARD Energy Limited and SEEBOARD Power Networks plc**

Q	Question	Response
Q1	Do you support Modification Proposal P53?	<b>YES</b> <b>Rationale:</b> Systems and BSC should be in alignment. In this case cost of changing systems does not produce sufficient benefit. The downside of adjusting BSC is minor, especially when the impact of modification P2 is considered.
Q2	Do you believe that Modification Proposal P53 better facilitates achievement of the Applicable BSC Objectives?	<b>YES</b> <b>Rationale:</b> With respect to (d), as this maintains consistency and should aid administration.
Q3	Does Modification Proposal P53 impact your systems / processes?	<b>YES</b> – but negligible impact, 30 days would be sufficient with our without P2

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**P53\_ASS\_005 – LE Group**

**Organisation: LE Group**

**Responding on behalf of: London Electricity, South Western Electricity, Jade Power, Sutton Bridge Power and TXU Europe West Burton Ltd**

Q	Question	Response
Q1	Do you support Modification Proposal P53?	<b>YES</b>  <b>Rationale: This modification removes the disparity between the code and the ECVAA systems.</b>
Q2	Do you believe that Modification Proposal P53 better facilitates achievement of the Applicable BSC Objectives?	<b>YES</b>  <b>Rationale: This removes any confusion that may occur over credit cover percentages that may occur in the event of a default situation.</b>
Q3	Does Modification Proposal P53 impact your systems / processes?	<b>NO</b>

**P53\_ASS\_006 – British Energy**

**Organisation: British Energy, 04 Feb 2002**

**Responding on behalf of: British Energy Power & Energy Trading Ltd, British Energy Generation Ltd, Eggborough Power Ltd**

Q	Question	Response
Q1	Do you support Modification Proposal P53?	<b>YES</b>  <b>Rationale:</b> It seems reasonable that a change in a parameter relating to a BM Unit should only become effective from the date on which it changes, and not at some prior date. However, we note that a party may not be able to detect and notify changes to GC and DC until some time after the event of metered values being exceeded (BSC K3.4 refers) and that ideally, it should be possible to set an effective settlement day earlier than the current day where appropriate. It appears that the BSC systems are not able to do this. We also note that implementation of modification P2 will not permit non half-hourly suppliers to notify revised values of Demand Capacity any earlier than at present.

<b>Q2</b>	Do you believe that Modification Proposal P53 better facilitates achievement of the Applicable BSC Objectives?	<p><b>YES</b></p> <p><b>Rationale:</b> The credit monitoring carried out under the BSC is relatively inaccurate and approximate, but we do not consider that the change to BSC systems which would be required if this modification were not approved would demonstrably assist the BSC in achieving BSC objectives (c) or (d), compared to the situation if the modification is approved.</p> <p>Other methods of improving the quality of data used in the credit calculations are likely to be more effective.</p> <p>Earlier measurement, calculation, payment of imbalance costs and acting on defaults would provide a more demonstrable method of reducing the risks of credit default and the credit holding required.</p>
<b>Q3</b>	Does Modification Proposal P53 impact your systems / processes?	<b>This has no systems impact</b>

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**P53\_ASS\_007 – Innogy Group Plc**

**Organisation: Innogy Group plc**

**Responding on behalf of: Innogy, Innogy Cogen Ltd, Innogy Cogen Trading Ltd, Npower Ltd, Npower Direct Ltd, Npower Yorkshire Ltd, Npower Yorkshire Supply Ltd, Npower Northern Ltd & Npower Northern Supply Ltd.**

Q	Question	Response
<b>Q1</b>	Do you support Modification Proposal P53?	<p><b>YES</b></p> <p><b>Rationale:</b> This modification seeks to address an error in the original version of the BSC. Since this additional functionality is already present in the actual BSC systems, it is currently providing as realistic a calculation of a participants credit exposure in as much as the current calculations are realistic. To change the systems to fit the Code would prove costly, as well as further separating the Credit Cover calculations from reality.</p>
<b>Q2</b>	Do you believe that Modification Proposal P53 better facilitates achievement of the Applicable BSC Objectives?	<p><b>YES</b></p> <p><b>Rationale:</b> The current systems allow multiple CALF values within the 29-day credit checking period, which enables the calculation to reflect the fact seasons and hence CALF values change</p>

		within the credit checking period. To revert to the Code calculation would be inefficient and uneconomic.
<b>Q3</b>	Does Modification Proposal P53 impact your systems / processes?	<b>NO</b> Comment: <b>N/A</b>

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**P53\_ASS\_008 – Scottish & Southern Energy plc**

**Organisation:** Scottish & Southern Energy plc

**Responding on behalf of:** Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd. and SSE Energy Supply Ltd.

<b>Q</b>	<b>Question</b>	<b>Response</b>
<b>Q1</b>	Do you support Modification Proposal P53?	<b>YES</b> we do support Modification proposal P53
<b>Q2</b>	Do you believe that Modification Proposal P53 better facilitates achievement of the Applicable BSC Objectives?	<b>YES</b> we do believe that Modification Proposal P53 better facilitates achievement of the Applicable BSC Objectives
<b>Q3</b>	Does Modification Proposal P53 impact your systems / processes?	We have no particular comments to make at this time in respect to this question.

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**P53\_ASS\_009 – ScottishPower UK plc**

**Responding on behalf of:** ScottishPower UK Plc.; SP Manweb Plc.; ScottishPower Energy Trading Ltd.; ScottishPower Generation Ltd.; Scottish Power Energy Retail Ltd.; Emerald Power Generation Ltd.; SP Transmission Ltd.

<b>Q</b>	<b>Question</b>	<b>Response</b>
<b>Q1</b>	Do you support Modification Proposal P53?	<b>YES</b>  <b>Rationale:</b> we recognised that, once P2 is put in place from September 2002, there is less of a requirement for the current wording of the BSC in any case as the credit cover procedures will become more efficient to operate.  The only minor reservation we could see was in relation to the effect on credit cover of a successful CALF appeal by a Trading Party.
<b>Q2</b>	Do you believe that Modification Proposal P53 better facilitates achievement of the Applicable BSC	<b>YES</b>  <b>Rationale:</b> both promotion of competition and promoting efficiency in the trading

	Objectives?	arrangements.
<b>Q3</b>	Does Modification Proposal P53 impact your systems / processes?	<b>NO</b>

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**P53\_ASS\_010 – Intergen UK Limited**

Responding on behalf of: Coryton Energy Company Ltd, InterGen Energy Trading and Shipping, Rocksavage Power Company Ltd & Spalding Energy Company Ltd.

<b>Q</b>	<b>Question</b>	<b>Response</b>
<b>Q1</b>	Do you support Modification Proposal P53?	<p><b>No.</b></p> <p>In principle we think the modification is acceptable but believe that there are a few points that could be amended with regard to appeals of Season CALF.</p> <p>The main point is that there is no guarantee to participants that an appeal will be heard in time for implementation of that appealed CALF at the start of the following season. Delays in implementation of CALF can have a major and potentially unreasonable impact on the amount of security a participant has to lodge, even if for a short period of time.</p> <p>In view of this we would prefer that Seasonal CALF values be published 30 days ahead of the Season start in order that participants can be guaranteed that an appeal will be heard at the next Panel meeting. Also that the schedule of Panel meetings is such that participants are given enough time to gather information to support their claim ahead of the meeting and that time would already be set aside at that meeting for the hearing of appeals.</p> <p>In addition to this we would prefer that the P53 implementation date be postponed to coincide with the implementation of P2 in September in order to reduce participants exposure to a delayed appeal. In the meantime a workaround could be implemented in line with the suggestion that Elexon will be able to deny authorisation of credit default under the “material doubt” clause. Elexon could remove the chance of exposing other participants to a genuine</p>

		<p>credit default by running their own checks based on accurate CALF values for each day, a system which would be robust enough to remove the element of doubt.</p> <p>We would also suggest that ECVAAs implement additional procedures to check daily for pending changes to DC, GC and CALF. It may also be appropriate for the OSM's to contact each of their participants on the date of the Seasonal CALF publication to ensure that someone in each organisation is aware of the proposed CALF values and to help facilitate the appeal process.</p>
<b>Q2</b>	Do you believe that Modification Proposal P53 better facilitates achievement of the Applicable BSC Objectives?	<p><b>YES</b></p> <p>d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.</p>
<b>Q3</b>	Does Modification Proposal P53 impact your systems / processes?	<b>NO.</b>