

## ANNEX 1 – REPRESENTATIONS

### Responses from P29 Urgent Modification Report Consultation

9 Representations were received from the following parties:

No	Company	File Number
1.	Utility Link	P29_UMR_001
2.	SEEBOARD	P29_UMR_002
3.	Powergen UK plc	P29_UMR_003
4.	GPU Power UK	P29_UMR_004
5.	British Energy plc	P29_UMR_005
6.	Scottish Power UK plc	P29_UMR_006
7.	Scottish and Southern Energy	P29_UMR_007
8.	Amerada Hess Gas Ltd	P29_UMR_008
9.	British Gas Trading	P29_UMR_009

**P29\_UMR\_001 – Utility Link****Subject: Modification Report P29**

As the proposer of the above modification I agree with the recommendation of the report that the modification should be rejected. However I would like to clarify the following points.

The modification report states that the Panel agreed with the IWA that the modification would 'lead to an unquantified risk to the integrity of settlements'. My recollection was that the Panel's debate centered on the form of the performance assurance review and the Panel neither agreed or disagreed with the IWA conclusions. The Panel 'noted' the views, and agreed to recommend rejection as the modification could not be withdrawn.

Section 6 notes that as proposer, I was willing to withdraw the modification subject to certain assurances. These assurances should be listed in the report, which were:

- i. That the terms of reference include consideration of the cost to the industry of providing data, against the benefits that are gained. In particular the cost to smaller Suppliers and agents.
- ii. That a definitive end date is given for the Performance Assurance review.
- iii. That the Industry is represented in the review process.
- iv. That the results of the review are sent out for consultation by the industry before any recommendations are implemented.

These assurances were received from the Panel, and as the Proposer I was in agreement that the modification be rejected as it could not be withdrawn.

If you should wish to discuss any of the points made, please feel free to contact me.

Yours sincerely,

Chris Welby  
Regulation Assurance Manager

**P29\_UMR\_002 – SEEBOARD**

We agree with the above mentioned report that this modification be rejected. As an overall review is scheduled for later this year this proposal is not worth pursuing at this time. Whilst going to a higher level of reporting would in theory simplify things and reduce workload we would still, as a Supplier, need to continue to track individual Agents at GSP Group level. There would, therefore, be no real benefit to us, or the industry, at this time.

Dave Morton  
SEEBOARD  
0190 328 3465

**P29\_UMR\_003 – Powergen UK plc**

**Proposed Variation to BSC – Modification Proposal No: 29 – Improve Efficiency Of Parns Reporting Requirements**

Powergen UK plc ('Powergen') welcomes the opportunity to comment on the modification report issued for P29 on the 30<sup>th</sup> July. Powergen provides this response on behalf of itself and the following BSC Parties: Powergen Energy plc, Diamond Power Generation Limited, and Cottam Development Centre Limited.

In response to the modification report Powergen would raise the following points :-

- Powergen support the Elexon recommendation that the proposed modification cannot be progressed before the review of the performance assurance framework.
- Powergen also endorse the recommendation in the report to proceed to the report phase, with the recommendation that the modification proposal be rejected.

Yours Sincerely  
James Hawkins  
Strategy & Regulation  
Energy Trading  
Powergen  
02476 42 4737.

**P29\_UMR\_004 – GPU Power UK**

Please find that GPU POWER UK response to P29 - Consultation Draft Modification Report is 'No Comment'.

thanks

Rachael Gardener

Deregulation Control Group &

Disribution Support Office

GPU POWER.CO.UK

**P29\_UMR\_005 – British Energy plc**

British Energy does not support Modification P29 "Improved Efficiency of PARMS Reporting Requirement". BE agree with the Panel recommendation that the modification be rejected.

The performance of suppliers and their agents within a GSP Group affects the payments made by other suppliers within that Group through GSP Group correction, and we believe that performance reporting at a GSP Group level is vital for current and future monitoring. Introduction of this modification would reduce the amount of data available for this purpose.

Regards

Rachel Ace

For

British Energy Power and Energy Trading

British Energy Generation

Eggborough Power Ltd

**P29\_UMR\_006 – Scottish Power UK plc**

**BSC Modification Proposal P29 – Improving the Efficiency of PARMS Reporting**

After some consideration of the findings in the Draft Modification report, we are not convinced that there is any material benefit to be gained from the implementation of Modification Proposal P29.

To remove 'GSP Group Level Reporting' appears contrary to the SVA Arrangements and we would suggest that, as SVA was designed on a GSP basis, the data held by Suppliers and their Agents is naturally tailored to the current reporting format. Furthermore, we anticipate that the concerns raised by the proposer will be addressed in the forthcoming review of the Performance Assurance Framework and it is our view that this represents a more sensible vehicle for dealing with this issue.

Therefore, we support the Panel's recommendation that Modification Proposal P29 be rejected.

I hope that you will find these comments helpful. If I may be of any further assistance in this matter, please do not hesitate to contact me.

Yours Sincerely,

**James Nixon**

On behalf of:

Scottish Power UK plc, Manweb Plc, Manweb Services Ltd. and Emerald Power Ltd

**P29\_UMR\_007 – Scottish and Southern Energy**

This response is sent on behalf of Southern Electric, Scottish and Southern Energy, Keadby Generation Ltd and SSE Energy Supply Ltd.

We support the recommendation of the Panel that the Modification is rejected. We agree that the issues raised in this proposal cannot be considered in isolation and should be considered as part of the fundamental review that is due to take place later this year.

However we agree wholeheartedly with the sentiments of the proposal, simplification is urgently required. In view of this we sincerely hope that the timescale for the review of the Performance Assurance Framework incurs no further slippage.

Regards  
Robert Hackland

## P29\_UMR\_008 – Amerada Hess Gas Ltd

### P29 Report Comments

Thank you for the opportunity to comment on the above Modification Report. Our comments represent the views of Amerada Hess Gas Ltd, Amerada Hess Gas (Domestic) Ltd, amerada.co.uk Ltd, Midlands Gas, and Western Gas. For convenience, they are split into two sections, the Modification itself, and Performance Assurance Review feedback

### Modification Report

Amerada opposes this modification, which is flawed in our opinion. GSP reporting should assist Suppliers in managing their Agents' effectiveness in each location, thus ensuring the level of service received is at least equivalent.

The PARMS framework is, as Elexon have rightly pointed out, integral to the BSC code. The changes proposed under this relatively simple sounding modification would potentially have a far bigger impact than is at first obvious. We do, however, concur that a review of the framework is timely, believing the current framework to be onerous and potentially anti-competitive, in that the additional work required for PARMS only, could mitigate against smaller Suppliers using multiple Agents in any GSP Group.

Amerada agrees with Elexon however, that this review is best taken forward under the work planned by the Performance Assurance Board in the Autumn. We particularly welcomed the Panel's comments in respect of inviting input to the process, and have included some points below, which we hope will be taken into consideration.

### Performance Assurance: Review

Amerada is supportive of the principles of the Performance Management Framework, but we feel that the regime needs refining to ensure maximum effectiveness for the minimum reporting burden on Suppliers. We are particularly concerned that an appropriate balance should be found in this area.

1. As a small, new Supplier in this market, we do not yet believe that Performance Assurance, through PARMS, adds much significant benefit to the management of Agents:
  - There is little evidence to suggest that PAB actually investigates the data reported by Suppliers.
  - There is too much reliance on the Supplier obtaining "Drill Down Data" as proof of their Agents figures, this should be done directly by Elexon.
  - There is no formal feedback to Suppliers (other than data acknowledgement and/or rejection) on the data content and/or acceptability.
  - PAB appears to view failures by Agents to perform to Industry standards as Contractual Issues. This thinking is flawed, in that Contracts are taken from a standard template and non-negotiable. Smaller Suppliers (especially) need more support from Elexon.
  - There appear to be circumstantial indications that not all failures identified by the PARMS reporting are consistently rigorously investigated and pursued.

Therefore any "review" of PARMS should not be focused solely on 'which serials can be removed/changed', but also on the framework, and the communication channels.

2. More specifically, the framework should allow exemptions for Suppliers on irrelevant Serials – the best example of which is where a Supplier not qualified for Half-Hourly still has to send reports for 12 HH serials (per brand and per GSP). This should be reviewed.
3. Information for new entrants is focused solely on the 'Integrity of Settlements' ideal and does not assist those new entrants in understanding fully the values available through the reporting. It has been acknowledged by Elexon that a more 'Operational' type instruction/tuition set would be useful.
4. Where a new (small) Supplier is concerned, the impact of incorrect/incomplete settlement data is relatively minor. Any failure of the Agents to perform on such a Supplier's behalf is therefore undervalued by the Agent, as the impact on settlements is negligible.
5. The efficacy of Liquidated Damages, passed onto the Agents (Clause 11 of Schedule 1 of Contracts) is also negligible with respect to smaller Suppliers. This is because the amounts payable would generally be too small to be of concern to an organisation the size of a PES, therefore there is little incentive for them to provide effective service.

We trust our comments have been useful, and we would be happy to discuss any of the points raised in more detail, if this would be helpful.

Yours sincerely  
Alison Kuck  
Transportation Contract Manager

**P29\_UMR\_009 – British Gas Trading**

Modification Proposal 29: Improve Efficiency of Parms Reporting Requirements

Thank you for providing the opportunity of responding to this modification proposal.

British Gas Trading agrees with Elexon's recommendations that Modification 29 is rejected. In addition, we would like to draw attention to a few areas that have been identified in the Initial Assessment Report.

Page 9, Section 4, Paragraph 5 identifies that Suppliers have an increasing burden to report by individual GSP Group. The effectiveness of reporting on this basis has been raised at SVG on various occasions over the past 12 months. British Gas Trading agree with the sentiments of the proposer that this does require rationalisation and further consultation.

Under Section 12 Issues:

- a) We welcome that a thorough review of the Performance Assurance Framework is to be carried out. As a Party Member we trust that this information will be made available for further comment on completion of the review.
- b) Since the introduction of Agent Competition, the true Supplier Hub principle (independent of geographical location) is becoming a major factor in relation to maintaining data quality. We, therefore, agree with the proposer's tenet that Elexon's GSP Group based reporting is not as fundamental as it once was. However we accept that as long as Settlement continues on a GSP Group basis, there is still value to be gained from such reporting.
- c) We agree with the findings indicating that the principle risk is the integrity of Settlement process. A new monitoring system would have implications on Supplier Hub Management.
- d) We agree entirely that any standards would require thorough discussion. Any fundamental changes to the current PARMS arrangements would require considerable lead-time to implement.

Yours faithfully  
Andrew Latham  
Account Manager

1.1 [Copies of representations on the Draft Modification Report will be included here]