

## P253 Impact Assessment Responses

What stage is this document in the process?

**Impact Assessment issued on 9 April 2010**

**01** Initial Written Assessment

**02** Definition Procedure

**03** Assessment Procedure

**04** Report Phase

We received responses from:

Company	Role of Parties/non-Parties represented	Assessor Name and Contact Details
Gemserv	<b>0/1</b>	MRASCo
IPM Energy Retail	<b>1/0</b>	Supplier
Stark Software International Ltd (SSIL)	<b>0/4</b>	HHDA HHDC NHHDA NHHDC
Invensys (IMServ)	<b>4/0</b>	HH Data Collector / Aggregator - UKDC NHH Data Collector / Aggregator - UKDC
Siemens Metering Services	<b>0/1</b>	Party Agent (HHDC, HHDA, NHHDA, NHHDC, HHMO, NHHMO)
TMA Data Management Ltd	<b>0/4</b>	HHDC, HHDA, NHHDC, NHHDA
E.ON UK Energy Services Limited	<b>0/1</b>	Party Agent NHHDC/DA (MIDE) MOA (MIDE & EMEB)
Statoil ASA	<b>1/1</b>	Non-Physical Trader/ future Generator
Scottish and Southern Energy	<b>9/0</b>	Supplier/Generator/ Trader / Party Agent / Distributor
RWE npower Limited	<b>9/0</b>	Supplier/Party Agent
British Gas	<b>1/0</b>	Supplier

Question 1: Would Proposed Modification P253 impact your organisation?

### Responses

Respondent	Impacted
Gemserv	Yes
IPM Energy Retail	-

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Respondent	Impacted
Stark Software International Ltd (SSIL)	Yes
Invensys (IMServ)	Yes
Siemens Metering Services	Yes
TMA Data Management Ltd	Yes
E.ON UK Energy Services Limited	Yes
Statoil ASA	Yes
SSE	Yes
RWE npower Limited	Yes - We would like to propose that an alternative is taken forward this is addressed further in Q7.
British Gas	No

Question 1a: If you answered yes to question 1, please provide a description of the impact(s), cost(s) and required implementation timescales (from the point of Ofgem approval) for your organisation.

## Responses

Respondent	Response
Gemserv	This could lead to shortening of the Change of Supplier process, which MRASCo 'govern'. Shortened timescales may lead to operational issues which could adversely affect the CoS process
IPM Energy Retail	This change would improve the accuracy of the credit calculation, which should reduce the volatility in the credit requirements. This should reduce the amount of credit that we leave posted with Elexon and free up this working capital. In addition, the more accurate consumption data in the II settlement run would help us to understand our imbalance position sooner. This should enable us to improve reduce our imbalance volumes and the associated costs. If all HH suppliers can reduce their imbalance then this should reduce the balancing costs incurred by the industry as a whole.
Stark Software International Ltd (SSIL)	Additional aggregation run, accommodate system daily timetable (Already cramped), DTN volumes. 3 months.
Invensys	Invensys do not agree with or support the P253 proposed modification

Respondent	Response
(IMServ)	<p>changes. Whilst we appreciate the perceived benefits of this change, unless it is initiated across the whole of the SVA Market, these benefits cannot be realised. Whilst it is possible to initiate this in the HH Market, it is not technically possible to work to the proposed timescales in the NHH Market for the following reasons: -</p> <p>90% of NHH meters are still read manually or less frequently than HH meters and it is not possible in the NHH market for EAC and AA's to be calculated until 8WDs after the DPC's have been finalised, therefore no D0019s will be submitted to the NHHDA in time for the proposed additional settlement run.</p> <p>To summarise, timelines associated with the current NHH Market prevent its inclusion in the change thereby significantly reducing any perceived benefits to a level which does not justify the cost and effort of the change. Furthermore, as Invensys supports the 98 Trading Arrangements principle of having a single settlement calendar we would not wish to see any separation of processes in an attempt to progress this change.</p> <p>We wish also to add to this debate our view that if the P253 modification is progressed this will be anti-competitive. In mandating performance targets at such an early point in time it removes current opportunities available to agents to sell added value services to their customers via service differentiation.</p> <p>We have however identified that in theory we could make the required changes to our HH operational systems and processes to include an additional settlement run. However, this will significantly increase operational processing time and effort; DTN data transfer costs and overall cost of service. We anticipate that other DCs may contract in a similar way to ourselves and there fore might be impacted by contractual restrictions/barriers which prevent recuperation of the above costs from those Parties who would actually benefit from this change.</p> <p>If the P253 modification is agreed, we believe it would take 12 months to implement the required system and process changes, purchase any additional hardware/software and amend existing commercial contracts inline with the required changes.</p> <p>Questions we would like further clarification on;</p> <ol style="list-style-type: none"> <li>1) How would the performance of this change be monitored and reported?</li> <li>2) How can you guarantee all agents will comply with this change?</li> <li>3) Has a minimum threshold of participation been considered?</li> </ol> <p>N.B In light of the above comments regarding the technical constraints in the NHH Market we have responded to the following questions solely from a HHDC perspective.</p>
Siemens Metering Services	<p>System changes would be required to accommodate the additional II run and accept updated versions of the MDD flows (which would incur costs for software development and testing).</p> <p>This proposal would result in increased volumes of traffic over the Data Transfer Network, with associated annual costs of approximately £2k.</p> <p>The timescales required to implement these changes would be 6 months from the date of approval.</p>

Respondent	Response
TMA Data Management Ltd	It would require a modification of our HHDA and HHDC system to be able to process the updated D0270/D0269 flows containing the run II timetable. It would also require some procedural changes. The costs would be low to medium with a lead-time of 90 days required.
E.ON UK Energy Services Limited	New versions of NHHDA software would need to be adopted and procedures updated.
Statoil ASA	Although it would be difficult to quantify, certainly the market as a whole would benefit from clearing payments in a more efficient and quicker way.
SSE	Implications for contractual issues with our DA agents having to do extra runs to ensure data submission in time. Cost implications to changes to the MDD flows which would require to go through MRA change process. Implication to DA performance issues. Also possible contractual implications with our DC agents.
RWE npower Limited	<p><b>Supplier Response</b></p> <ul style="list-style-type: none"> <li>• There will be costs associated with system changes.</li> <li>• Changes may also be required to accept some of the flows at an earlier date. i.e. file timestamp issues.</li> <li>• Impact of receiving more accurate data earlier - The only real use for II data in this context is to predict our Imbalance costs as a company prior to receipt of the invoice. This could have small benefits however it is unlikely these would be explored or taken advantage of as we do not have a view of how accurate the data will be following the implementation of this mod.</li> </ul> <p><b>DC/DA Response</b></p> <ul style="list-style-type: none"> <li>• There will be additional costs incurred to implement this change.</li> <li>• Lead time of 6-9 months to change systems, processes and batch schedules.</li> </ul>
British Gas	-

Question 2: Would Data Collectors be able to provide either: 90%; or 95% of actual Half-hourly meter readings to Data Aggregators in time for the Supplier Volume Allocation Agents (SVAA) II Volume Allocation Run (VAR)? This run would be held four working days after the Settlement Date (on SD +4WD). Please provide answers for both percentages.

## Responses

Respondent	Response
Gemserv	Yes for both.
IPM Energy Retail	We cannot comment on this. However, we would support the creation of a more accurate II settlement run even if the % of actual data was less than 90%. Any improvement in the accuracy of the II settlement run data would be welcomed.
Stark Software International Ltd (SSIL)	-
Invensys (IMServ)	Invensys HHDC would be able to provide 95% actual HH meter reading to the HHDA in time for SVAA II VAR settlement run.
Siemens Metering Services	Yes, as a DC we would be able to provide up to 95% of actual HH readings to DAs.
TMA Data Management Ltd	90% of volume settled on actual yes with around 1.4% of MPANS settled using a default EAC. There are slight weekly and monthly differences but none that would compromise the 90% target with the exception of the 1st of April and 1st of October Settlement Dates.  95% of volume settled on actual no
E.ON UK Energy Services Limited	N/A
Statoil ASA	N/A
SSE	Our current contractual arrangements with HHDC's is to schedule metering, not on remote dial, with a site visit every 7 and 10 working days. This therefore will fall outside the proposed 'Day +5', and could impact the percentage of estimated data.
RWE npower Limited	The above targets could be achieved but further investigations is likely to be required in order to achieve the higher target and only if permanent handheld sites, de-energised sites and sites with all meters removed are removed from the target. There would also be an increased cost to the process, as fault resolution would need to be achieved in tighter timescales in order to meet the target.
British Gas	How would data from hand held reads be treated. Data is collected once a week. This would not be in time for the SVAA II VAR (on SD + 4WD)

Question 3: If you've answered no to both percentages in question 2, what do you believe to be an achievable percentage of Half Hourly meter reads for the SVAA II VAR?

## Responses

Respondent	Response
Gemserv	-
IPM Energy Retail	See Q2 above
Stark Software International Ltd (SSIL)	
Invensys (IMServ)	n/a
Siemens Metering Services	N/A
TMA Data Management Ltd	N/A
E.ON UK Energy Services Limited	N/A
Statoil ASA	N/A
Scottish and Southern Energy	We would need to negotiate with our agents. We believe it should be as is currently.
RWE npower Limited	n/a
British Gas	-

Question 4: Where Half Hourly meter reads cannot be obtained within the proposed timescales, would Data Collectors be able to provide estimations using method 'f' or higher (as detailed in BSCP502 section 4.2.1)?

Please note this will also include any meters that are in the Change of Supplier process.

## Responses

Respondent	Response
Gemserv	No
IPM Energy Retail	No comment
Stark Software International Ltd (SSIL)	In the majority of cases yes. Where there are issues with MTDs and/or if the old DC fails to send history (or new connections) then g or h is unavoidable.
Invensys (IMServ)	Yes we would be able to provide estimations as a HHDC using methods 'f', 'g' and 'h' of the BSCP 502. However by producing estimates earlier in the process this will have a number of impacts; <ul style="list-style-type: none"> <li>cost impact – systems, processes, people</li> </ul>

Respondent	Response
	<ul style="list-style-type: none"> <li>unnecessary queries and concern from Suppliers and customers on issues which would be resolved by SF</li> <li>estimates not being as qualitative as possible</li> <li>increase in exceptions, i.e. D0235s</li> </ul>
Siemens Metering Services	As an HHDC we would ensure that we are providing data in accordance with BSCP502.
TMA Data Management Ltd	<p>For established sites, the provision of estimated data using method f or higher is possible and extremely likely.</p> <p>For change of Supplier sites, it would only be possible if the change of Supplier were a change of Supplier with no change of HHDC.</p> <p>The timescales for the provision of historical data by the old HHDC to the new HHDC is 5 working days from the date of receipt of the request (D0170) making it impossible for a newly appointed Data Collector to estimate data based on method f or higher for a COS MPAN within the 2 or 3 WD available before data must be provided to the HHDA.</p>
E.ON UK Energy Services Limited	N/A
Statoil ASA	-
SSE	We would expect our DC agents to provide that.
RWE npower Limited	Yes, estimates can be provided
British Gas	-

Question 5: Should a time for Data Collectors to submit meter readings to Data Aggregators (e.g. SD +2WD) be specified in a BSCP or should this be agreed between DCs and DAs?

## Responses

Respondent	Response
Gemserv	Bi-lateral agreements, as stipulated timeframe would affect the CoS process.
IPM Energy Retail	No comment
Stark Software International Ltd (SSIL)	In practice SSIL sends what it can as soon as it can anyway – due to Supplier requirements. The process is continuous from D+0 through to SF. The later that Aggregation runs, the more complete it will be. SSIL would have no need to change transmission behaviour to meet this requirement.
Invensys (IMServ)	Invensys do not agree that this change modification being proposed therefore would not want to see this change be made to the BSCP Bilateral progression is not an option as commercial arrangements do not exist between DC and DA in order to facilitate this.
Siemens Metering	Our preference would be that this is specified in a BSCP as this will avoid any confusion over different agreements between different

Respondent	Response
Services	agents.
TMA Data Management Ltd	A specified time to submit data should be added to the BSCP rather than being left to be agreed between agents. A common approach would ensure that there is no operational mismatch between interacting agents. To maximise the data sent to HHDA's, the HHDC's should send the data as soon as it is available but no later than 3 WD.
E.ON UK Energy Services Limited	N/A
Statoil ASA	-
SSE	Currently, we do not have any issues between our DA and DC. We do not see any reason to change.
RWE npower Limited	RWE Npowers internal and external contractual / SLA agreements currently in place preclude the need for a BSCP stipulation from an npower agent perspective so should probably continue to be an agreement rather than an obligation.
British Gas	This should be specified in BSCPs

Question 6: This change would result in reduced timescales for the Change of Supplier process; would Data Collectors be able to provide to carry out this process in time to produce an actual or estimated meter read to the DA?

### Responses

Respondent	Rationale
Gemserv	The less time they have the greater the likelihood of DCs not carrying out this process in time.
IPM Energy Retail	No comment
Stark Software International Ltd (SSIL)	Yes, subject to appointments and related flows and MTDs being timely. See also answer to Qu4. Retrospective appointments are not uncommon though.
Invensys (IMServ)	Does this suggest an intention to amend the existing timescales for this process – if so, please clarify? We can however already note that the process would be detrimentally impacted by the volume of retrospective appointments already seen in both Markets and the gaps/errors associated with this.
Siemens Metering Services	Yes, as a DC we would be able to carry out this process within these timescales.
TMA Data Management Ltd	Up to 25% of meter technical details are incorrect, the Data Collectors have the ability to check the details and go back to the relevant Meter Operators for one or 2 iterations until correct D0268 details are received, in time for SF but it would be absolutely impossible within 2 working days, compromising the quality of data sent for the II run.



Respondent	Rationale
	The timescales for the provision of historical data to 5 Working Days also preclude Data Collectors from being able to provide estimated data based on anything but Supplier or default EAC.
E.ON UK Energy Services Limited	N/A
Statoil ASA	-
SSE	Is this referring to Non Half Hourly and Half Hourly process? If there is a change made to the Change of Supplier process we believe that there would be a significant impact to many processes e.g., EAC, DA, DC and changes to many systems.
RWE npower Limited	RWE Npower does not feel a solution for a more accurate credit cover calculation should impact the Change of Supplier process.
British Gas	Could be issues where registration details are received late. Could also be issues with missing meter operator appointments. This can occur where customer switches from supplier funded meter operator contract to customer direct contract.

Question 7: Do you believe that there are any potential alternatives to this Modification? If so, please provide details.

## Responses

Respondent	Response
Gemserv	-
IPM Energy Retail	No comment
Stark Software International Ltd (SSIL)	-
Invensys (IMServ)	No
Siemens Metering Services	Have any changes to the process of credit calculation itself been considered? This modification proposal would place additional requirements on Parties and Agents to provide data, but is there anything further that could be done to ensure that the calculation process (as it is currently) is as robust as possible?
TMA Data Management Ltd	-
E.ON UK Energy Services Limited	No
Statoil ASA	-
SSE	No
RWE npower	As previously discussed within the working group Bank Holidays

Respondent	Response
Limited	<p>present the problem, as the Settlement Period 3 weeks earlier may not have been a Bank Holiday. This is an issue for Suppliers with business customers, as some customers will have significantly different consumptions on a Bank Holiday compared to a normal business day.</p> <p>A potential solution would be to estimate consumption using actual Metered Volumes for a Sunday Settlement Period approximately 3 weeks earlier, as a reference day for a Bank Holiday.</p> <p>In reverse if three weeks ago happens to be a Bank Holiday and is a reference day for a working day, the calculation will use the metered volumes from a working day (from three weeks ago) instead.</p> <p>In addition to the proposal to alter the methodology for Bank Holidays, an effective solution could also include the use of an average of the relevant day 3-7 weeks prior, therefore reducing the risks of an erroneous number affecting the credit cover calculation.</p>
British Gas	-

Question 8: The Modification Group proposed a potential alternative solution that would involve removing the use of bank holidays as reference days. How would this change impact your organisation?

## Responses

Respondent	Response
Gemserv	-
IPM Energy Retail	No comment
Stark Software International Ltd (SSIL)	n/a
Invensys (IMServ)	<p>Invensys is totally averse to this suggestion and in order to provide a specific response would require further detail of this proposal.</p> <p>Without the latter however we are still able to note that this would have significant system impact in terms of analysis, development and implementation and would result in heightened risk with a greater lead time required for implementation</p>
Siemens Metering Services	This would require us to make further system changes that would incur costs for software development and testing.
TMA Data Management Ltd	It would not
E.ON UK Energy Services Limited	No
Statoil ASA	-
SSE	We do not believe that this will address the issue.
RWE npower Limited	Covered in Q7

Respondent	Response
British Gas	-

Question 9: The Modification Group proposed an alternative that would involve moving the SAA II Settlement Run to SD +6WD or SD +7WD. How would this change your answers to questions 2, 3, 4 and 6?

### Summary

Yes	No	Neutral/Other

### Responses

Respondent	Response
Gemserv	The less time pressure there is on the CoS process, the less effect this change has on MRASCo.
IPM Energy Retail	This would not change our answers. There is obviously a trade off between how quickly the report comes out and the accuracy of the data. We would be comfortable for the report timescales to more out by a couple of days if it lead to more accurate data in the report.
Stark Software International Ltd (SSIL)	-
Invensys (IMServ)	No change to any of the answers above.
Siemens Metering Services	This would not change any answers.
TMA Data Management Ltd	It would change the answer to question 2, allowing the 95% target to be met.
E.ON UK Energy Services Limited	No
Statoil ASA	-
SSE	We would still need to go through the process, with the same cost/system implications.
RWE npower Limited	Increasing the probability of obtaining more accurate readings wouldn't alter our answers. Especially in reference to timescales involved with system changes. We would require further time for analysis to give a more accurate impact.
British Gas	

Question 10: If the II Run was moved to a later date as proposed in Question 9, what would be the positive and negative impacts on your organisation?

### Responses

Respondent	Response
Gemserv	Positive in that there is less of an effect on the CoS process.
IPM Energy Retail	No material impact.
Stark Software International Ltd (SSIL)	Impacts would be the same, but the outcomes better in terms of accuracy.
Invensys (IMServ)	n/a
Siemens Metering Services	This would have a positive impact by allowing more time to obtain actual data (rather than estimates) and would therefore be preferable.
TMA Data Management Ltd	It would have a positive impact on the quality of the data. There would be no negative impact.
E.ON UK Energy Services Limited	N/A
Statoil ASA	-
SSE	We believe that it would only make a minimal improvement, but not enough to address the issue.
RWE npower Limited	<ul style="list-style-type: none"> <li>• See above Q9</li> <li>• System development may be required.</li> <li>• A more accurate II run would not improve any settlement processes.</li> <li>• Although this may improve the credit cover calculation, overall the benefit to the industry would be minimal when taking into account the costs associated with such a change.</li> </ul>
British Gas	-

Would you like to make any further comments on P253?

### Responses

Respondent	Response
Gemserv	No
IPM Energy Retail	No
Stark Software International Ltd (SSIL)	No
Invensys	The time required to implement this proposed change would be

Respondent	Response
(IMServ)	extensive and we anticipate that this date would coincide with developments in the roll-out of Smart metering which, in itself would bring benefits to the accuracy and availability of data. Has the group considered this and what conclusions were reached?
Siemens Metering Services	<p>In order for us to provide the II run data, we would need to run a process that would generate the Half Hourly Aggregation Exception Reports (D0235 flows). Please could guidance be provided as to whether these additional D235s would need to be sent out to all relevant parties (i.e. prior to the II run itself)?</p> <p>Will II run data need to be sent to the SVAA and all Suppliers (as with current settlement data), or just to the SVAA?</p> <p>We would require a timetable/ schedule for these II runs, could this be published on the Elexon website as well as being included within the MDD flows?</p>
TMA Data Management Ltd	We would welcome the setting of higher standards whether for the purpose of improving the accuracy of credit calculation or otherwise; provided that it includes a review of the obligations on Meter Operators to provide accurate and timely Meter Technical details with working communication details.
E.ON UK Energy Services Limited	No
Statoil ASA	-
SSE	<p>We believe that the cost of this Modification to Agents does not justify what we perceive as a marginal benefit to the Suppliers.</p> <p>We also believe that with the Smart Metering roll out, we would be naturally progressing into this settlement area by the time this modification is implemented.</p> <p>We believe that the solution has not been clearly thought through. The NHH aspect, which is very crucial for this modification to be of any benefit, seems to have been included as an afterthought.</p>
RWE npower Limited	There are more cost effective solutions to improving the credit cover calculations to the industry.
British Gas	Before any decision is made a full financial assessment of the costs must be carried out and compared with the benefits of a more accurate calculation of credit requirements.