

## Responses from P210 Urgent Modification Consultation

Consultation Issued 14 February 2007

Representations were received from the following parties

| No  | Company   | File number | No BSC<br>Parties<br>Represented | No Non-<br>Parties<br>Represented |
|-----|---|-------------|----------------------------------|-----------------------------------|
| 1.  | BizzEnergy Ltd                                    | P210_UC_01  | 1                                | 0                                 |
| 2.  | National Grid                                     | P210_UC_02  | 1                                | 0                                 |
| 3.  | EDF Energy  | P210_UC_03  | 9                                | 0                                 |
| 4.  | E.ON UK plc                                       | P210_UC_04  | 7                                | 0                                 |
| 5.  | E.ON UK Energy Services Limited                   | P210_UC_05  | 0                                | 1                                 |
| 6.  | Centrica  | P210_UC_06  | 9                                | 0                                 |
| 7.  | RWE Npower  | P210_UC_07  | 11                               | 0                                 |
| 8.  | SAIC Ltd. (for and on behalf of<br>ScottishPower) | P210_UC_08  | 6                                | 0                                 |
| 9.  | Scottish and Southern Energy plc.                 | P210_UC_09  | 6                                | 0                                 |
| 10. | <b>British Energy (*)</b>                         | P210_UC_10  | 5                                | 0                                 |

(\*) Late response

## P210 – REVISIONS TO THE TEXT IN SECTION P RELATED TO SINGLE NOTIFICATIONS OF ENERGY CONTRACT VOLUMES AND METERED VOLUME REALLOCATIONS - URGENT CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|   |                       |
|---|-----------------------|
| <b>Respondent:</b>  | <i>Steve Fearn</i>    |
| <b>Company Name:</b>  | BizzEnergy Ltd        |
| <b>No. of BSC Parties Represented</b>                       | One                   |
| <b>Parties Represented</b>                                  | BizzEnergy Ltd        |
| <b>No. of Non BSC Parties Represented</b>                   |                       |
| <b>Non Parties represented</b>                              |                       |
| <b>Role of Respondent</b>                                   | <i>Supplier/ECVNA</i> |
| <b>Does this response contain confidential information?</b> | <i>No</i>             |

| Q  | Question  | Response <sup>1</sup> | Rationale  |
|----|---|-----------------------|--|
| 1. | Do you agree that the Code has potential for misinterpretation with regard to the single notification process, and therefore should be revised? | Yes                   |  |
| 2. | Do you agree that the basis for any revisions to the single notification process should be established conventions and practices?               |                       | Established conventions should be used as a basis provided they can be shown to be the most desirable of the possible interpretations. Where a party could be seen to suffer a material disadvantage because their interpretation of an unclear section of the Code differed from unofficial established practises this should be handled as if a proposed change to the Code rather than a clarification. |

| Q  | Question   | Response <sup>1</sup> | Rationale   |
|----|--|-----------------------|---|
| 3. | <b>Effect of overwrite notifications on Settlement Days beyond its Effective To Date</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should overwrite the previous notification for all Settlement Periods on all Settlement Days from the Effective From Date of the replacement notification (as is current practice)?  | Yes                   | While this isn't in line with our current interpretation of the Code making such a change would not cause undue problems with existing processes and the increased clarity of the resulting Code is agreed to be beneficial.  |
| 4. | <b>Part day overwrites of notifications</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should always overwrite the entire previous notification for the Settlement Day (subject to Gate Closure) and that any Settlement Periods omitted in the replacement notification will be considered to be withdrawn and a MWh value of zero be applied (as is current practice)? | Yes                   | As Q3   |
| 5. | <b>Business validation of notifications</b><br>Do you agree that the Code should be amended to reflect that the Energy Contract Volume Allocation Agent (ECVAA) systems should reject an entire notification if any one Settlement Period fails validation (as is current practice)?   | Yes                   | This was our understanding of the Code at present so reflecting this unambiguously simply reinforces our interpretation.  |
| 6. | <b>Notification of validation failures</b><br>Do you agree that the Code should be amended to reflect that the ECVAA should not be required to provide information on validation ('Notification Feedback') to a participant who has opted out of receiving Notification Feedback?  | Yes                   | This seems a logical conclusion, the ECVAA should not be required to provide feedback to a party which has specifically asked not to receive it. The consequences of asking to not receive these flows should be very clearly laid out in the document describing the procedure for requesting not to receive these reports though. |

| Q  | Question  | Response <sup>1</sup>           | Rationale  |
|----|---|---------------------------------|--|
| 7. | <p><b>Refusal and rejection of notifications for credit reasons</b></p> <p>Do you agree that the Code should be amended to reflect that, if a Party is in Level 2 Credit Default, the ECVAAs systems should:</p> <ul style="list-style-type: none"> <li>Only reject individual Settlement Periods of a notification if that Settlement Period value has the effect of increasing the indebtedness of the Party (as is current practice)?</li> <li>Refuse the entire notification if any one Settlement Period has the effect of increasing indebtedness (as is current practice)?</li> <li>Not <b>refuse</b> a whole notification or <b>reject</b> an individual Settlement Period of a notification if one Settlement Period does not decrease indebtedness i.e. the ECVAAs systems should not reject or refuse when a Settlement Period has a neutral effect on indebtedness (as is current practice)?</li> </ul> | <p>Yes</p> <p>No</p> <p>Yes</p> | <p>It is our belief that the ECVAAs should only refuse an entire notification where the net effect of it would be to increase indebtedness regardless of the effect of individual settlement periods taken in isolation. This is necessary to allow a party to shape their contract position to match their physical position by moving volume from periods where they are long to periods where they are short (thus actually decreasing credit exposure). It would run counter to the BSC Objectives to force a party to take an unbalanced position in to cash-out which they could (and would) have corrected in the market prior to gate closure.</p> |
| 8. | <p><b>Cross Referencing for MVRNs</b></p> <p>Do you agree that the cross reference in P3.3.2(a)(vii) is incorrect and should refer to paragraph 3.6.1 and not 3.5.1?</p>  | <p>Yes</p>                      |  |

| Q   | Question   | Response <sup>1</sup> | Rationale   |
|-----|--|-----------------------|---|
| 9.  | Do you believe Proposed Modification <b>P210</b> (i.e. the <b>Modification be implemented on the next working day following an Authority direction to make the Modification</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s) | Yes                   | With the exception noted above we believe P210 would improve the efficient administration of the balancing and settlement arrangements by bringing additional clarity to this area of the Code. |
| 10. | Do you believe Alternative Modification <b>P210</b> (i.e. the <b>Modification be implemented with effect from the date it was raised – 5 February 2007</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s)                      | Yes                   | As Q9   |
| 11. | Do you believe Alternative Modification <b>P210</b> better facilitates the achievement of the Applicable BSC Objectives than Proposed Modification <b>P210</b> ?<br><br>Please give rationale and state objective(s)   | No                    | We do not believe there is sufficient case in this instance to justify making the modification retrospectively.   |
| 12. | Do you agree with the Modification Group's recommendation concerning the Implementation Date for:<br><br>P210 Proposed?<br><br>P210 Alternative?<br><br>Please give rationale.   | Yes<br><br>Yes        |   |

| Q   | Question   | Response <sup>1</sup> | Rationale  |
|-----|--|-----------------------|--|
| 13. | Do you agree with the Modification Group's recommendation to include the addition of supporting information relating to the submission and processing of notifications into BSCP71?  | Yes                   | Additional information on these topics can only back up and provide greater clarity on that contained in the Code as well as giving guidance to new parties who wish to qualify and act as ECVNAs.   |
| 14. | Do you agree with the Modification Group's recommendation that the identified changes to BSCP71 should be implemented on the P210 Implementation Date?   | Yes                   | There seems to be no reason why these changes, which are all related and support each other, should not be made concurrently if possible.  |
| 15. | Notwithstanding the Modification Group's view that the changes to BSCP71 should be implemented on the P210 Implementation Date, do you agree that the BSC changes themselves provide an unambiguous statement of how single notifications will be processed?<br><br>Please give rationale. If "No", please state clearly any areas where you believe there remains some ambiguity. | Yes                   | We are not aware of any further areas which could be considered ambiguous at present.  |
| 16. | Do you agree with the Modification Group's view that the BSC changes that have been provided correctly and fully addresses the issue or defect identified in the Modification Proposal?<br><br>Please give rationale.  | Yes                   | While we do not agree that all of the changes are necessarily the preferred option of the possibilities covered by the ambiguities we do believe that they certainly specify with greater clarity the manner in which single notifications could be handled. In this way they can be agreed to address the issue identified. As noted in previous section however we would favour a different change to be made for one of the clarifications. |
| 17. | What would be the impacts on your business were P210 not approved?   |                       | Were the proposal not to be approved we would simply continue to operate under our present interpretation of the existing wording of the Code. While this would not have any impact against the existing situation failing to clarify the ambiguous procedure could lead to disputes in the future.  |

| Q   | Question  | Response <sup>1</sup> | Rationale |
|-----|---|-----------------------|-----------|
| 18. | Are there any further comments on P210 that you wish to make? | No                    |           |

Please send your responses by **12pm on 28 February 2007** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email '**P210 Urgent Modification Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Chris Stewart on 020 7380 4309, email address [chris.stewart@elexon.co.uk](mailto:chris.stewart@elexon.co.uk).

## P210 – REVISIONS TO THE TEXT IN SECTION P RELATED TO SINGLE NOTIFICATIONS OF ENERGY CONTRACT VOLUMES AND METERED VOLUME REALLOCATIONS - URGENT CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|   |                             |
|---|-----------------------------|
| <b>Respondent:</b>  | <i>Robert Smith</i>         |
| <b>Company Name:</b>  | National Grid               |
| <b>No. of BSC Parties Represented</b>                       | 1                           |
| <b>Parties Represented</b>                                  | National Grid               |
| <b>No. of Non BSC Parties Represented</b>                   |                             |
| <b>Non Parties represented</b>                              |                             |
| <b>Role of Respondent</b>                                   | Transmission Company & GBSO |
| <b>Does this response contain confidential information?</b> | No                          |

| Q  | Question  | Response <sup>1</sup> | Rationale |
|----|---|-----------------------|-----------|
| 1. | Do you agree that the Code has potential for misinterpretation with regard to the single notification process, and therefore should be revised? | Yes                   |           |
| 2. | Do you agree that the basis for any revisions to the single notification process should be established conventions and practices?               | Yes                   |           |



| Q  | Question   | Response <sup>1</sup> | Rationale |
|----|--|-----------------------|-----------|
| 3. | <b>Effect of overwrite notifications on Settlement Days beyond its Effective To Date</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should overwrite the previous notification for all Settlement Periods on all Settlement Days from the Effective From Date of the replacement notification (as is current practice)?  | Yes                   |           |
| 4. | <b>Part day overwrites of notifications</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should always overwrite the entire previous notification for the Settlement Day (subject to Gate Closure) and that any Settlement Periods omitted in the replacement notification will be considered to be withdrawn and a MWh value of zero be applied (as is current practice)? | Yes                   |           |
| 5. | <b>Business validation of notifications</b><br>Do you agree that the Code should be amended to reflect that the Energy Contract Volume Allocation Agent (ECVAA) systems should reject an entire notification if any one Settlement Period fails validation (as is current practice)?   | Yes                   |           |
| 6. | <b>Notification of validation failures</b><br>Do you agree that the Code should be amended to reflect that the ECVAA should not be required to provide information on validation ('Notification Feedback') to a participant who has opted out of receiving Notification Feedback?  | Yes                   |           |

| Q  | Question  | Response <sup>1</sup> | Rationale   |
|----|---|-----------------------|---|
| 7. | <p><b>Refusal and rejection of notifications for credit reasons</b></p> <p>Do you agree that the Code should be amended to reflect that, if a Party is in Level 2 Credit Default, the ECVAAs systems should:</p> <ul style="list-style-type: none"> <li>• Only reject individual Settlement Periods of a notification if that Settlement Period value has the effect of increasing the indebtedness of the Party (as is current practice)?</li> <li>• Refuse the entire notification if any one Settlement Period has the effect of increasing indebtedness (as is current practice)?</li> <li>• Not <b>refuse</b> a whole notification or <b>reject</b> an individual Settlement Period of a notification if one Settlement Period does not decrease indebtedness i.e. the ECVAAs systems should not reject or refuse when a Settlement Period has a neutral effect on indebtedness (as is current practice)?</li> </ul> |                       | <p>We believe that the systems should mimic current custom and practice and so avoid the need to amend any IS systems</p> |
| 8. | <p><b>Cross Referencing for MVRNs</b></p> <p>Do you agree that the cross reference in P3.3.2(a)(vii) is incorrect and should refer to paragraph 3.6.1 and not 3.5.1?</p>  | Yes                   |   |

| Q   | Question   | Response <sup>1</sup> | Rationale                           |
|-----|--|-----------------------|-------------------------------------|
| 9.  | Do you believe Proposed Modification <b>P210</b> (i.e. the <b>Modification be implemented on the next working day following an Authority direction to make the Modification</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s) | Yes                   | Better facilitates objectives C & D |
| 10. | Do you believe Alternative Modification <b>P210</b> (i.e. the <b>Modification be implemented with effect from the date it was raised – 5 February 2007</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s)                      | Yes                   | Better facilitates objectives C & D |
| 11. | Do you believe Alternative Modification <b>P210</b> better facilitates the achievement of the Applicable BSC Objectives than Proposed Modification <b>P210</b> ?<br><br>Please give rationale and state objective(s)   | No                    |                                     |
| 12. | Do you agree with the Modification Group's recommendation concerning the Implementation Date for:<br><br>P210 Proposed?<br><br>P210 Alternative?<br><br>Please give rationale.   | Yes<br><br>Yes        |                                     |

| Q   | Question   | Response <sup>1</sup> | Rationale  |
|-----|--|-----------------------|--|
| 13. | Do you agree with the Modification Group's recommendation to include the addition of supporting information relating to the submission and processing of notifications into BSCP71?  | Yes                   |  |
| 14. | Do you agree with the Modification Group's recommendation that the identified changes to BSCP71 should be implemented on the P210 Implementation Date?   | Yes                   |  |
| 15. | Notwithstanding the Modification Group's view that the changes to BSCP71 should be implemented on the P210 Implementation Date, do you agree that the BSC changes themselves provide an unambiguous statement of how single notifications will be processed?<br><br>Please give rationale. If "No", please state clearly any areas where you believe there remains some ambiguity. | Yes                   |  |
| 16. | Do you agree with the Modification Group's view that the BSC changes that have been provided correctly and fully addresses the issue or defect identified in the Modification Proposal?<br><br>Please give rationale.  | Yes                   |  |
| 17. | What would be the impacts on your business were P210 not approved?   |                       | The current ambiguity would require us to review our IS notification systems |
| 18. | Are there any further comments on P210 that you wish to make?  | No                    |  |

Please send your responses by **12pm on 28 February 2007** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email '**P210 Urgent Modification Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Chris Stewart on 020 7380 4309, email address [chris.stewart@elexon.co.uk](mailto:chris.stewart@elexon.co.uk).

## P210 – REVISIONS TO THE TEXT IN SECTION P RELATED TO SINGLE NOTIFICATIONS OF ENERGY CONTRACT VOLUMES AND METERED VOLUME REALLOCATIONS - URGENT CONSULTATION QUESTIONS

BSC Parties (“Parties”) and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|   |   |
|---|---|
| <b>Respondent:</b>  | David Lewis   |
| <b>Company Name:</b>  | EDF Energy  |
| <b>No. of BSC Parties Represented</b>                       | 9   |
| <b>Parties Represented</b>                                  | EDF Energy Networks (EPN) plc; EDF Energy Networks (LPN) plc; EDF Energy Networks (SPN) plc; EDF Energy (Sutton Bridge Power); EDF Energy (Cottam Power) Ltd; EDF Energy (West Burton Power) Ltd; EDF Energy plc; EDF Energy Customers Plc; Seeboard Energy Limited |
| <b>No. of Non BSC Parties Represented</b>                   | 0   |
| <b>Non Parties represented</b>                              | N/A   |
| <b>Role of Respondent</b>                                   | Supplier/Generator/Trader/Distributor   |
| <b>Does this response contain confidential information?</b> | No  |

| Q  | Question  | Response <sup>1</sup> | Rationale  |
|----|---|-----------------------|--|
| 1. | Do you agree that the Code has potential for misinterpretation with regard to the single notification process, and therefore should be revised? | Yes                   | We agree that that the code as currently drafted could have the potential to be mis-interpreted and therefore should be revised. |
| 2. | Do you agree that the basis for any revisions to the single notification process should be established conventions and practices?               | Yes                   | We agree that that the code as currently drafted could have the potential to be mis-interpreted and therefore should be revised. |

| Q  | Question   | Response <sup>1</sup> | Rationale   |
|----|--|-----------------------|---|
| 3. | <b>Effect of overwrite notifications on Settlement Days beyond its Effective To Date</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should overwrite the previous notification for all Settlement Periods on all Settlement Days from the Effective From Date of the replacement notification (as is current practice)?  | Yes                   |   |
| 4. | <b>Part day overwrites of notifications</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should always overwrite the entire previous notification for the Settlement Day (subject to Gate Closure) and that any Settlement Periods omitted in the replacement notification will be considered to be withdrawn and a MWh value of zero be applied (as is current practice)? | Yes                   | We also believe that it should be made clear that the differences between part day and full day overwrites should be made clear in the code (i.e. that part day overwrites replace all settlement periods in the day where as full day overwrites will only replace the existing notification from the effective from date forward). We consider that BSC P 71 would be an adequate location to make clear this point, rather than amending the Code further. |
| 5. | <b>Business validation of notifications</b><br>Do you agree that the Code should be amended to reflect that the Energy Contract Volume Allocation Agent (ECVAA) systems should reject an entire notification if any one Settlement Period fails validation (as is current practice)?   | Yes                   |   |
| 6. | <b>Notification of validation failures</b><br>Do you agree that the Code should be amended to reflect that the ECVAA should not be required to provide information on validation ('Notification Feedback') to a participant who has opted out of receiving Notification Feedback?  | Yes                   |   |

| Q  | Question  | Response <sup>1</sup>            | Rationale |
|----|---|----------------------------------|-----------|
| 7. | <p><b>Refusal and rejection of notifications for credit reasons</b></p> <p>Do you agree that the Code should be amended to reflect that, if a Party is in Level 2 Credit Default, the ECVAAs systems should:</p> <ul style="list-style-type: none"> <li>• Only reject individual Settlement Periods of a notification if that Settlement Period value has the effect of increasing the indebtedness of the Party (as is current practice)?</li> <li>• Refuse the entire notification if any one Settlement Period has the effect of increasing indebtedness (as is current practice)?</li> <li>• Not <b>refuse</b> a whole notification or <b>reject</b> an individual Settlement Period of a notification if one Settlement Period does not decrease indebtedness i.e. the ECVAAs systems should not reject or refuse when a Settlement Period has a neutral effect on indebtedness (as is current practice)?</li> </ul> | <p>Yes</p> <p>Yes</p> <p>Yes</p> |           |
| 8. | <p><b>Cross Referencing for MVRNs</b></p> <p>Do you agree that the cross reference in P3.3.2(a)(vii) is incorrect and should refer to paragraph 3.6.1 and not 3.5.1?</p>  | Yes                              |           |



| Q   | Question   | Response <sup>1</sup>  | Rationale  |
|-----|--|------------------------|--|
| 9.  | Do you believe Proposed Modification <b>P210</b> (i.e. the <b>Modification be implemented on the next working day following an Authority direction to make the Modification</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s) | Yes                    | EDF Energy agrees that the proposed changes will better facilitate BSC Objective C by removing any uncertainties and ambiguities in relation to this part of the code. This will assist both existing and new entrants in correctly interpreting the process for notifying contract volumes which in turn will benefit competition.<br><br>The changes will also better facilitate BSC Objective D by removing any uncertainties in relation to existing conventions and industry practices. |
| 10. | Do you believe Alternative Modification <b>P210</b> (i.e. the <b>Modification be implemented with effect from the date it was raised – 5 February 2007</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s)                      | Yes                    | As above.  |
| 11. | Do you believe Alternative Modification <b>P210</b> better facilitates the achievement of the Applicable BSC Objectives than Proposed Modification <b>P210</b> ?<br><br>Please give rationale and state objective(s)   | Yes                    | In general we are not supportive of retrospective Modifications to the BSC as this can potentially undermine confidence in a traded market. However, in these particular circumstances, an historic implementation date may be a pragmatic approach to ensure that the risk of exploitation by Market Participants is minimised.   |
| 12. | Do you agree with the Modification Group's recommendation concerning the Implementation Date for:<br><br>P210 Proposed?<br><br>P210 Alternative?<br><br>Please give rationale.   | <br><br>Yes<br><br>Yes | Both are sensible given the circumstances.   |

| Q   | Question   | Response <sup>1</sup> | Rationale   |
|-----|--|-----------------------|---|
| 13. | Do you agree with the Modification Group's recommendation to include the addition of supporting information relating to the submission and processing of notifications into BSCP71?  | Yes                   |   |
| 14. | Do you agree with the Modification Group's recommendation that the identified changes to BSCP71 should be implemented on the P210 Implementation Date?   | Yes                   | This is important to ensure that all ambiguities in both the code and BSCP71 are removed at the same time.  |
| 15. | Notwithstanding the Modification Group's view that the changes to BSCP71 should be implemented on the P210 Implementation Date, do you agree that the BSC changes themselves provide an unambiguous statement of how single notifications will be processed?<br><br>Please give rationale. If "No", please state clearly any areas where you believe there remains some ambiguity. | Yes                   | Contract Notification is arguably the most important element of the UK Balancing and Settlement Arrangements so it is paramount that these changes are made to remove the current ambiguities and to ensure that the code correctly reflects current industry practice. |
| 16. | Do you agree with the Modification Group's view that the BSC changes that have been provided correctly and fully addresses the issue or defect identified in the Modification Proposal?<br><br>Please give rationale.  | Yes                   |   |
| 17. | What would be the impacts on your business were P210 not approved?   |                       | We would have to undertake a review of our current systems and processes which would be both costly and burdensome. It is also probable that a share of the costs of any changes to central systems would be passed on to us.   |

| Q   | Question  | Response <sup>1</sup> | Rationale  |
|-----|---|-----------------------|--|
| 18. | Are there any further comments on P210 that you wish to make? | Yes                   | <p>Again we would like to re-iterate the importance of ensuring that the code is amended (be it the proposed or alternative Modification) to ensure that existing industry practice and conventions are enshrined in the legal text.</p> <p>We are also supportive of the development of a guidance note with examples to assist industry understanding in relation to contract notifications which will compliment the changes being proposed by this Modification.</p> |

Please send your responses by **12pm on 28 February 2007** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email '**P210 Urgent Modification Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

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## P210 – REVISIONS TO THE TEXT IN SECTION P RELATED TO SINGLE NOTIFICATIONS OF ENERGY CONTRACT VOLUMES AND METERED VOLUME REALLOCATIONS - URGENT CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|   |   |
|---|---|
| <b>Respondent:</b>  | Tim Johnson   |
| <b>Company Name:</b>  | E.ON UK plc   |
| <b>No. of BSC Parties Represented</b>                       | 7   |
| <b>Parties Represented</b>                                  | Citigen London Ltd., E.ON UK plc, Economy Power, Enfield Energy Centre Ltd., Powergen Retail Ltd., TXU Europe (AHGD) Ltd., TXU Europe (AHST) Ltd. |
| <b>No. of Non BSC Parties Represented</b>                   | 0   |
| <b>Non Parties represented</b>                              | 0   |
| <b>Role of Respondent</b>                                   | Supplier/Generator/Trader /Consolidator/Exemptable Generator  |
| <b>Does this response contain confidential information?</b> | No  |

| Q  | Question  | Response <sup>1</sup> | Rationale   |
|----|---|-----------------------|---|
| 1. | Do you agree that the Code has potential for misinterpretation with regard to the single notification process, and therefore should be revised? | Yes                   |   |
| 2. | Do you agree that the basis for any revisions to the single notification process should be established conventions and practices?               | Yes                   | The established conventions and practices deliver a workable implementation of the principles that underlie Energy Contract Volume Notification, and there is no benefit to be gained from small changes to them. In this case revision of the BSC that is not based on the established conventions and practices will introduce uncertainty and may result in both BSC Parties and the central agents having to amend IT systems at considerable cost. |

| Q  | Question   | Response <sup>1</sup> | Rationale   |
|----|--|-----------------------|---|
| 3. | <b>Effect of overwrite notifications on Settlement Days beyond its Effective To Date</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should overwrite the previous notification for all Settlement Periods on all Settlement Days from the Effective From Date of the replacement notification (as is current practice)?  | Yes                   | P 2.3.5 now explicitly describes the rule that is implemented by the current system, and is a sensible way of working.<br><br>N.B. is there a missing word in the third line of the paragraph that follows sub-clause (a) (ii)? |
| 4. | <b>Part day overwrites of notifications</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should always overwrite the entire previous notification for the Settlement Day (subject to Gate Closure) and that any Settlement Periods omitted in the replacement notification will be considered to be withdrawn and a MWh value of zero be applied (as is current practice)? | Yes                   | P 1.3.2 now explicitly describes the rule that is implemented by the current system, and is a sensible way of working.  |
| 5. | <b>Business validation of notifications</b><br>Do you agree that the Code should be amended to reflect that the Energy Contract Volume Allocation Agent (ECVAA) systems should reject an entire notification if any one Settlement Period fails validation (as is current practice)?   | Yes                   | P 2.3.4/7/8 now explicitly describe the rule that is implemented by the current system, and are a sensible way of working.  |
| 6. | <b>Notification of validation failures</b><br>Do you agree that the Code should be amended to reflect that the ECVAA should not be required to provide information on validation ('Notification Feedback') to a participant who has opted out of receiving Notification Feedback?  | Yes / No              | Given that only completely valid (but not necessarily matched) notifications can make it to the point at which notification feedback is provided I'm not sure that this change is necessary.                                    |

| Q  | Question  | Response <sup>1</sup>            | Rationale  |
|----|---|----------------------------------|--|
| 7. | <p><b>Refusal and rejection of notifications for credit reasons</b></p> <p>Do you agree that the Code should be amended to reflect that, if a Party is in Level 2 Credit Default, the ECVAAs systems should:</p> <ul style="list-style-type: none"> <li>Only reject individual Settlement Periods of a notification if that Settlement Period value has the effect of increasing the indebtedness of the Party (as is current practice)?</li> <li>Refuse the entire notification if any one Settlement Period has the effect of increasing indebtedness (as is current practice)?</li> <li>Not <b>refuse</b> a whole notification or <b>reject</b> an individual Settlement Period of a notification if one Settlement Period does not decrease indebtedness i.e. the ECVAAs systems should not reject or refuse when a Settlement Period has a neutral effect on indebtedness (as is current practice)?</li> </ul> | <p>Yes</p> <p>Yes</p> <p>Yes</p> | <p>P 2.5.3 now explicitly describes the rule that is implemented by the current system, and is a sensible way of working.</p> <p>I believe that in the short term the BSC should be brought into line with the current solution. It appears that the current solution would make it more difficult for a BSC Party to trade their way out of Credit Default (but not absolutely prevent it) and at the very least a briefing paper should be prepared by Elexon to describe the implications of the rules in this area and ways round some of the obstacles.</p> |
| 8. | <p><b>Cross Referencing for MVRNs</b></p> <p>Do you agree that the cross reference in P3.3.2(a)(vii) is incorrect and should refer to paragraph 3.6.1 and not 3.5.1?</p>  | Yes                              | Except for the fact that P3.3.2(a)(vii) has become (vi)  |

| Q   | Question   | Response <sup>1</sup> | Rationale  |
|-----|--|-----------------------|--|
| 9.  | <p>Do you believe Proposed Modification <b>P210</b> (i.e. the <b>Modification be implemented on the next working day following an Authority direction to make the Modification</b>) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?</p> <p>Please give rationale and state objective(s)</p> | Yes                   | <p>Traded markets want certainty in the rules under which they work, and removing ambiguity (and its resulting uncertainty) is an important part of that.</p> <ul style="list-style-type: none"> <li>Objective c (The promotion of effective competition in the generation and supply of electricity, and (so far as consistent therewith) promoting such competition in the sale and purchase of electricity) applies</li> </ul> <p>Without the modification further disputes might be raised, which will cost the industry money</p> <ul style="list-style-type: none"> <li>Objective d (The promotion of efficiency in the implementation and administration of the balancing and settlement arrangements) applies</li> </ul> |
| 10. | <p>Do you believe Alternative Modification <b>P210</b> (i.e. the <b>Modification be implemented with effect from the date it was raised – 5 February 2007</b>) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?</p> <p>Please give rationale and state objective(s)</p>                      | Yes                   | <p>The answer to Q9 applies. In addition, it brings forward the cut-off date for raising disputes, further reducing ambiguity and operational costs.</p>   |
| 11. | <p>Do you believe Alternative Modification <b>P210</b> better facilitates the achievement of the Applicable BSC Objectives than Proposed Modification <b>P210</b>?</p> <p>Please give rationale and state objective(s)</p>   | Yes                   | <p>The normal concerns about retrospectivity do not really apply here. Making the change retrospective will increase confidence in the market arrangements because it shows a willingness to address ambiguity and to avoid cost.</p>  |

| Q   | Question  | Response <sup>1</sup> | Rationale   |
|-----|---|-----------------------|---|
| 12. | <p>Do you agree with the Modification Group's recommendation concerning the Implementation Date for:</p> <p>P210 Proposed?</p> <p>P210 Alternative?</p> <p>Please give rationale.</p>   | <p>Yes</p> <p>Yes</p> |   |
| 13. | Do you agree with the Modification Group's recommendation to include the addition of supporting information relating to the submission and processing of notifications into BSCP71?   | Yes                   | I would have preferred to see a separate BSCP introduced for notifications, leaving BSCP 71 for agent authorisations, but I recognise that time constraints make that a less desirable approach.  |
| 14. | Do you agree with the Modification Group's recommendation that the identified changes to BSCP71 should be implemented on the P210 Implementation Date?  | Yes                   |   |
| 15. | <p>Notwithstanding the Modification Group's view that the changes to BSCP71 should be implemented on the P210 Implementation Date, do you agree that the BSC changes themselves provide an unambiguous statement of how single notifications will be processed?</p> <p>Please give rationale. If "No", please state clearly any areas where you believe there remains some ambiguity.</p> | No                    | It is my opinion that using the word 'specifies' in P 2.3.2 (c) (i) implies that a notification submission indicates that it is either the first or a subsequent submission. This is not actually the case and I think that this section might be re-written to reflect this. |



| Q   | Question  | Response <sup>1</sup> | Rationale   |
|-----|---|-----------------------|---|
| 16. | Do you agree with the Modification Group's view that the BSC changes that have been provided correctly and fully addresses the issue or defect identified in the Modification Proposal?<br><br>Please give rationale. | Yes                   |   |
| 17. | What would be the impacts on your business were P210 not approved?  |                       | This is difficult to assess because we don't know what changes to the central systems would be required to bring them in line with the BSC. My initial view is that changes to the overwrite logic and the notification rejection process might result in £50k of development and testing work on our contract notification system. |
| 18. | Are there any further comments on P210 that you wish to make?   | Yes                   | Section P of the BSC is about 24 pages long – the section in the gas Network Code dealing with Trade Nominations covers about a page! A direct comparison cannot be made but it does suggest that the BSC has too much detail. Maybe it is concentrating too much on the 'how' when it should be stating the 'why'.                 |

Please send your responses by **12pm on 28 February 2007** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email '**P210 Urgent Modification Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Chris Stewart on 020 7380 4309, email address [chris.stewart@elexon.co.uk](mailto:chris.stewart@elexon.co.uk).

## P210 – REVISIONS TO THE TEXT IN SECTION P RELATED TO SINGLE NOTIFICATIONS OF ENERGY CONTRACT VOLUMES AND METERED VOLUME REALLOCATIONS - URGENT CONSULTATION QUESTIONS

BSC Parties (“Parties”) and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|   |                                 |
|---|---------------------------------|
| <b>Respondent:</b>  | <i>Name Alastair Barnsley</i>   |
| <b>Company Name:</b>  | E.ON UK Energy Services Limited |
| <b>No. of BSC Parties Represented</b>                       | 0                               |
| <b>Parties Represented</b>                                  |                                 |
| <b>No. of Non BSC Parties Represented</b>                   | 1                               |
| <b>Non Parties represented</b>                              | E.ON UK Energy Services Limited |
| <b>Role of Respondent</b>                                   | <i>Party Agent</i>              |
| <b>Does this response contain confidential information?</b> | <i>No</i>                       |

| Q  | Question  | Response <sup>1</sup> | Rationale   |
|----|---|-----------------------|---|
| 1. | Do you agree that the Code has potential for misinterpretation with regard to the single notification process, and therefore should be revised? | Yes / No              | We should like to return a neutral response to this Modification as it will not directly impact on our activities |
| 2. | Do you agree that the basis for any revisions to the single notification process should be established conventions and practices?               | Yes / No              | Please see response to question 1   |

| Q  | Question   | Response <sup>1</sup> | Rationale                         |
|----|--|-----------------------|-----------------------------------|
| 3. | <b>Effect of overwrite notifications on Settlement Days beyond its Effective To Date</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should overwrite the previous notification for all Settlement Periods on all Settlement Days from the Effective From Date of the replacement notification (as is current practice)?  | Yes / No              | Please see response to question 1 |
| 4. | <b>Part day overwrites of notifications</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should always overwrite the entire previous notification for the Settlement Day (subject to Gate Closure) and that any Settlement Periods omitted in the replacement notification will be considered to be withdrawn and a MWh value of zero be applied (as is current practice)? | Yes / No              | Please see response to question 1 |
| 5. | <b>Business validation of notifications</b><br>Do you agree that the Code should be amended to reflect that the Energy Contract Volume Allocation Agent (ECVAA) systems should reject an entire notification if any one Settlement Period fails validation (as is current practice)?   | Yes / No              | Please see response to question 1 |
| 6. | <b>Notification of validation failures</b><br>Do you agree that the Code should be amended to reflect that the ECVAA should not be required to provide information on validation ('Notification Feedback') to a participant who has opted out of receiving Notification Feedback?  | Yes / No              | Please see response to question 1 |

| Q  | Question  | Response <sup>1</sup>                           | Rationale                         |
|----|---|---|-----------------------------------|
| 7. | <p><b>Refusal and rejection of notifications for credit reasons</b></p> <p>Do you agree that the Code should be amended to reflect that, if a Party is in Level 2 Credit Default, the ECVAAs systems should:</p> <ul style="list-style-type: none"> <li>• Only reject individual Settlement Periods of a notification if that Settlement Period value has the effect of increasing the indebtedness of the Party (as is current practice)?</li> <li>• Refuse the entire notification if any one Settlement Period has the effect of increasing indebtedness (as is current practice)?</li> <li>• Not <b>refuse</b> a whole notification or <b>reject</b> an individual Settlement Period of a notification if one Settlement Period does not decrease indebtedness i.e. the ECVAAs systems should not reject or refuse when a Settlement Period has a neutral effect on indebtedness (as is current practice)?</li> </ul> | <p>Yes / No</p> <p>Yes / No</p> <p>Yes / No</p> | Please see response to question 1 |
| 8. | <p><b>Cross Referencing for MVRNs</b></p> <p>Do you agree that the cross reference in P3.3.2(a)(vii) is incorrect and should refer to paragraph 3.6.1 and not 3.5.1?</p>  | Yes / No  | Please see response to question 1 |

| Q   | Question   | Response <sup>1</sup>    | Rationale                         |
|-----|--|--------------------------|-----------------------------------|
| 9.  | Do you believe Proposed Modification <b>P210</b> (i.e. the <b>Modification be implemented on the next working day following an Authority direction to make the Modification</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s) | Yes / No                 | Please see response to question 1 |
| 10. | Do you believe Alternative Modification <b>P210</b> (i.e. the <b>Modification be implemented with effect from the date it was raised – 5 February 2007</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s)                      | Yes / No                 | Please see response to question 1 |
| 11. | Do you believe Alternative Modification <b>P210</b> better facilitates the achievement of the Applicable BSC Objectives than Proposed Modification <b>P210</b> ?<br><br>Please give rationale and state objective(s)   | Yes / No                 | Please see response to question 1 |
| 12. | Do you agree with the Modification Group's recommendation concerning the Implementation Date for:<br><br>P210 Proposed?<br><br>P210 Alternative?<br><br>Please give rationale.   | Yes / No<br><br>Yes / No | Please see response to question 1 |

| Q   | Question   | Response <sup>1</sup> | Rationale                         |
|-----|--|-----------------------|-----------------------------------|
| 13. | Do you agree with the Modification Group's recommendation to include the addition of supporting information relating to the submission and processing of notifications into BSCP71?  | Yes / No              | Please see response to question 1 |
| 14. | Do you agree with the Modification Group's recommendation that the identified changes to BSCP71 should be implemented on the P210 Implementation Date?   | Yes / No              | Please see response to question 1 |
| 15. | Notwithstanding the Modification Group's view that the changes to BSCP71 should be implemented on the P210 Implementation Date, do you agree that the BSC changes themselves provide an unambiguous statement of how single notifications will be processed?<br><br>Please give rationale. If "No", please state clearly any areas where you believe there remains some ambiguity. | Yes / No              | Please see response to question 1 |
| 16. | Do you agree with the Modification Group's view that the BSC changes that have been provided correctly and fully addresses the issue or defect identified in the Modification Proposal?<br><br>Please give rationale.  | Yes / No              | Please see response to question 1 |
| 17. | What would be the impacts on your business were P210 not approved?   |                       | Please see response to question 1 |
| 18. | Are there any further comments on P210 that you wish to make?  | No                    |                                   |

Please send your responses by **12pm on 28 February 2007** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email '**P210 Urgent Modification Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Chris Stewart on 020 7380 4309, email address [chris.stewart@elexon.co.uk](mailto:chris.stewart@elexon.co.uk).

## P210 – REVISIONS TO THE TEXT IN SECTION P RELATED TO SINGLE NOTIFICATIONS OF ENERGY CONTRACT VOLUMES AND METERED VOLUME REALLOCATIONS - URGENT CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|   |   |
|---|---|
| <b>Respondent:</b>  | <i>Dave Wilkerson</i>   |
| <b>Company Name:</b>  | Centrica  |
| <b>No. of BSC Parties Represented</b>                       | 9   |
| <b>Parties Represented</b>                                  | <i>Accord Energy Ltd; British Gas Trading Ltd; Centrica Barry Ltd; Centrica Brigg Ltd; Centrica KL Ltd; Centrica KPS Ltd; Centrica PB Ltd; Centrica RPS Ltd; Centrica SHB Ltd</i> |
| <b>No. of Non BSC Parties Represented</b>                   | 0   |
| <b>Non Parties represented</b>                              |   |
| <b>Role of Respondent</b>                                   | <i>(Supplier/Generator/ Trader)</i>   |
| <b>Does this response contain confidential information?</b> | <i>No</i>   |

| Q  | Question  | Response <sup>1</sup> | Rationale  |
|----|---|-----------------------|--|
| 1. | Do you agree that the Code has potential for misinterpretation with regard to the single notification process, and therefore should be revised? | Yes                   | We agree with the assertion in the modification that there is potential for misinterpretation of the BSC.  |
| 2. | Do you agree that the basis for any revisions to the single notification process should be established conventions and practices?               | Yes                   | While we do not believe that established convention should be the basis of all regulation, it is clear in this case that the industry has become used to certain practices. These are also currently documented in the ECVA Service Description. |



| Q  | Question   | Response <sup>1</sup> | Rationale  |
|----|--|-----------------------|--|
| 3. | <b>Effect of overwrite notifications on Settlement Days beyond its Effective To Date</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should overwrite the previous notification for all Settlement Periods on all Settlement Days from the Effective From Date of the replacement notification (as is current practice)?  | Yes                   |  |
| 4. | <b>Part day overwrites of notifications</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should always overwrite the entire previous notification for the Settlement Day (subject to Gate Closure) and that any Settlement Periods omitted in the replacement notification will be considered to be withdrawn and a MWh value of zero be applied (as is current practice)? | Yes                   | There is an inconsistency between how full day and part day notifications are treated in settlement, and we believe that the ideal would be for part day notifications to be treated in the same way as full day notifications. However, we note the comments in the consultation document regarding the likely costs of changing ECVAA to do so, and we are happy to retain current practice. |
| 5. | <b>Business validation of notifications</b><br>Do you agree that the Code should be amended to reflect that the Energy Contract Volume Allocation Agent (ECVAA) systems should reject an entire notification if any one Settlement Period fails validation (as is current practice)?   | Yes                   |  |
| 6. | <b>Notification of validation failures</b><br>Do you agree that the Code should be amended to reflect that the ECVAA should not be required to provide information on validation ('Notification Feedback') to a participant who has opted out of receiving Notification Feedback?  | Yes                   | Provided that it is made clear to that participant what the consequences might be – this is to be included in BSCP71 so we support this amendment.   |

| Q  | Question  | Response <sup>1</sup>            | Rationale |
|----|---|----------------------------------|-----------|
| 7. | <p><b>Refusal and rejection of notifications for credit reasons</b></p> <p>Do you agree that the Code should be amended to reflect that, if a Party is in Level 2 Credit Default, the ECVAAs systems should:</p> <ul style="list-style-type: none"> <li>• Only reject individual Settlement Periods of a notification if that Settlement Period value has the effect of increasing the indebtedness of the Party (as is current practice)?</li> <li>• Refuse the entire notification if any one Settlement Period has the effect of increasing indebtedness (as is current practice)?</li> <li>• Not <b>refuse</b> a whole notification or <b>reject</b> an individual Settlement Period of a notification if one Settlement Period does not decrease indebtedness i.e. the ECVAAs systems should not reject or refuse when a Settlement Period has a neutral effect on indebtedness (as is current practice)?</li> </ul> | <p>Yes</p> <p>Yes</p> <p>Yes</p> |           |
| 8. | <p><b>Cross Referencing for MVRNs</b></p> <p>Do you agree that the cross reference in P3.3.2(a)(vii) is incorrect and should refer to paragraph 3.6.1 and not 3.5.1?</p>  | Yes                              |           |

| Q   | Question   | Response <sup>1</sup> | Rationale  |
|-----|--|-----------------------|--|
| 9.  | Do you believe Proposed Modification <b>P210</b> (i.e. the <b>Modification be implemented on the next working day following an Authority direction to make the Modification</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s) | Yes                   | Objective C: P210 promotes more effective competition by removing uncertainty in the trading arrangements.<br>Objective D: P210 promotes efficiency in the running of the BSC by removing the risk of disputes arising to due lack of clarity in the market rules.   |
| 10. | Do you believe Alternative Modification <b>P210</b> (i.e. the <b>Modification be implemented with effect from the date it was raised – 5 February 2007</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s)                      | No                    | The potential benefits of the proposal are outweighed by the uncertainty inherent in retrospective implementations.  |
| 11. | Do you believe Alternative Modification <b>P210</b> better facilitates the achievement of the Applicable BSC Objectives than Proposed Modification <b>P210</b> ?<br><br>Please give rationale and state objective(s)   | No                    | Parties trade and base their behaviour on the market rules existing at the time at which they make their decisions. Retrospective implementations undermine this certainty and are therefore generally detrimental to competition (Objective C). We have not been convinced of the need for retrospective implementation, and it is difficult to see how Parties could deliberately manipulate the current situation to their advantage. |
| 12. | Do you agree with the Modification Group's recommendation concerning the Implementation Date for:<br><br>P210 Proposed?<br><br>P210 Alternative?<br><br>Please give rationale.   | Yes<br><br>No         | As there are no material changes to systems etc, we believe that 1WD is an appropriate timescale.<br>See response to Q11 above.  |

| Q   | Question   | Response <sup>1</sup> | Rationale   |
|-----|--|-----------------------|---|
| 13. | Do you agree with the Modification Group's recommendation to include the addition of supporting information relating to the submission and processing of notifications into BSCP71?  | Yes                   | It is entirely appropriate to place the rules around how ECVNs/MVRNs are submitted in a BSCP. While we would prefer to see a standalone BSCP, we appreciate that in the timescales afforded to the process, this is unrealistic and so it is pragmatic to include them in BSCP71. |
| 14. | Do you agree with the Modification Group's recommendation that the identified changes to BSCP71 should be implemented on the P210 Implementation Date?   | Yes                   |   |
| 15. | Notwithstanding the Modification Group's view that the changes to BSCP71 should be implemented on the P210 Implementation Date, do you agree that the BSC changes themselves provide an unambiguous statement of how single notifications will be processed?<br><br>Please give rationale. If "No", please state clearly any areas where you believe there remains some ambiguity. | Yes                   |   |
| 16. | Do you agree with the Modification Group's view that the BSC changes that have been provided correctly and fully addresses the issue or defect identified in the Modification Proposal?<br><br>Please give rationale.  | Yes                   |   |
| 17. | What would be the impacts on your business were P210 not approved?   |                       | None – we would not alter our current behaviour.  |
| 18. | Are there any further comments on P210 that you wish to make?  | No                    |   |

Please send your responses by **12pm on 28 February 2007** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email '**P210 Urgent Modification Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Chris Stewart on 020 7380 4309, email address [chris.stewart@elexon.co.uk](mailto:chris.stewart@elexon.co.uk).

## P210 – REVISIONS TO THE TEXT IN SECTION P RELATED TO SINGLE NOTIFICATIONS OF ENERGY CONTRACT VOLUMES AND METERED VOLUME REALLOCATIONS - URGENT CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|   |  |
|---|--|
| <b>Respondent:</b>  | Richard Jones  |
| <b>Company Name:</b>  | RWE Npower   |
| <b>No. of BSC Parties Represented</b>                       | 11   |
| <b>Parties Represented</b>                                  | <i>Please list all BSC Party names of Parties responding on behalf of (including the respondent company if relevant).</i> RWE Trading GmbH, RWE Npower plc, Great Yarmouth Power Ltd, Npower Cogen Trading Ltd, Npower Commercial Gas Ltd, Npower Direct Ltd, Npower Ltd, Npower Northern Ltd, Npower Northern Supply Ltd, Npower Yorkshire Ltd, Npower Yorkshire Supply Ltd |
| <b>No. of Non BSC Parties Represented</b>                   | None   |
| <b>Non Parties represented</b>                              | <i>Please list all non Parties responding on behalf of (including the respondent company if relevant).</i>   |
| <b>Role of Respondent</b>                                   | Supplier/Generator/Trader/Consolidator/Exemptable Generator/Party Agent  |
| <b>Does this response contain confidential information?</b> | No   |

| Q  | Question  | Response <sup>1</sup> | Rationale   |
|----|---|-----------------------|---|
| 1. | Do you agree that the Code has potential for misinterpretation with regard to the single notification process, and therefore should be revised? | Yes                   | Yes, as identified by this modification, the Code is potentially open to misinterpretation as currently written and needs to be addressed.            |
| 2. | Do you agree that the basis for any revisions to the single notification process should be established conventions and practices?               | Yes                   | It is the least disruptive, most pragmatic and cost affective approach which would serve maintain the integrity of the Code, convention and practices |

| Q  | Question   | Response <sup>1</sup> | Rationale  |
|----|--|-----------------------|--|
| 3. | <b>Effect of overwrite notifications on Settlement Days beyond its Effective To Date</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should overwrite the previous notification for all Settlement Periods on all Settlement Days from the Effective From Date of the replacement notification (as is current practice)?  | Yes                   | RWE agree that the Code as written may be ambiguous and should be amended.   |
| 4. | <b>Part day overwrites of notifications</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should always overwrite the entire previous notification for the Settlement Day (subject to Gate Closure) and that any Settlement Periods omitted in the replacement notification will be considered to be withdrawn and a MWh value of zero be applied (as is current practice)? | Yes                   | RWE agree that the Code as written may be ambiguous and should be amended.   |
| 5. | <b>Business validation of notifications</b><br>Do you agree that the Code should be amended to reflect that the Energy Contract Volume Allocation Agent (ECVAA) systems should reject an entire notification if any one Settlement Period fails validation (as is current practice)?   | Yes                   | RWE agree that current practice should be followed.  |
| 6. | <b>Notification of validation failures</b><br>Do you agree that the Code should be amended to reflect that the ECVAA should not be required to provide information on validation ('Notification Feedback') to a participant who has opted out of receiving Notification Feedback?  | Yes                   | If a participant has opted out of receiving Notification Feedback then the ECVAA should therefore not be required to provide information on validation. This closes a loophole whereby a claim could be made by a participant where the notification of failed validation was not received within the specified 20 minutes allowing resubmission of the notification after Gate Closure. |

| Q  | Question  | Response <sup>1</sup>            | Rationale |
|----|---|----------------------------------|-----------|
| 7. | <p><b>Refusal and rejection of notifications for credit reasons</b></p> <p>Do you agree that the Code should be amended to reflect that, if a Party is in Level 2 Credit Default, the ECVAAs systems should:</p> <ul style="list-style-type: none"> <li>• Only reject individual Settlement Periods of a notification if that Settlement Period value has the effect of increasing the indebtedness of the Party (as is current practice)?</li> <li>• Refuse the entire notification if any one Settlement Period has the effect of increasing indebtedness (as is current practice)?</li> <li>• Not <b>refuse</b> a whole notification or <b>reject</b> an individual Settlement Period of a notification if one Settlement Period does not decrease indebtedness i.e. the ECVAAs systems should not reject or refuse when a Settlement Period has a neutral effect on indebtedness (as is current practice)?</li> </ul> | <p>Yes</p> <p>Yes</p> <p>Yes</p> |           |
| 8. | <p><b>Cross Referencing for MVRNs</b></p> <p>Do you agree that the cross reference in P3.3.2(a)(vii) is incorrect and should refer to paragraph 3.6.1 and not 3.5.1?</p>  | Yes                              |           |



| Q   | Question   | Response <sup>1</sup> | Rationale   |
|-----|--|-----------------------|---|
| 9.  | Do you believe Proposed Modification <b>P210</b> (i.e. the <b>Modification be implemented on the next working day following an Authority direction to make the Modification</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s) | Yes                   | The modification would better facilitate the following objectives:<br>c) by avoiding uncertainty and improving efficiency thereby promoting competition; and<br>d) by removing uncertainty and providing clarity thereby promoting efficiency in the implementation and administration of the balancing and settlement arrangements.      |
| 10. | Do you believe Alternative Modification <b>P210</b> (i.e. the <b>Modification be implemented with effect from the date it was raised – 5 February 2007</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s)                      | No                    | Whilst the modification would better facilitate the objectives c) by avoiding uncertainty and improving efficiency thereby promoting competition we do not believe it would better objective d) as the will introduce retrospection which does not promote efficiency of the administration of the balancing and settlement arrangements. |
| 11. | Do you believe Alternative Modification <b>P210</b> better facilitates the achievement of the Applicable BSC Objectives than Proposed Modification <b>P210</b> ?<br><br>Please give rationale and state objective(s)   | No                    | For the reason given in 10.   |
| 12. | Do you agree with the Modification Group's recommendation concerning the Implementation Date for:<br><br>P210 Proposed?<br><br>P210 Alternative?<br><br>Please give rationale.   | Yes<br><br>No         | <br><br><br><br>RWE does not support retrospective implementation of this modification.   |

| Q   | Question   | Response <sup>1</sup> | Rationale   |
|-----|--|-----------------------|---|
| 13. | Do you agree with the Modification Group's recommendation to include the addition of supporting information relating to the submission and processing of notifications into BSCP71?  | Yes                   | The place for technical details is within a BSCP.   |
| 14. | Do you agree with the Modification Group's recommendation that the identified changes to BSCP71 should be implemented on the P210 Implementation Date?   | Yes                   |   |
| 15. | Notwithstanding the Modification Group's view that the changes to BSCP71 should be implemented on the P210 Implementation Date, do you agree that the BSC changes themselves provide an unambiguous statement of how single notifications will be processed?<br><br>Please give rationale. If "No", please state clearly any areas where you believe there remains some ambiguity. | Yes                   |   |
| 16. | Do you agree with the Modification Group's view that the BSC changes that have been provided correctly and fully addresses the issue or defect identified in the Modification Proposal?<br><br>Please give rationale.  | Yes                   | RWE agrees that the BSC changes provided do address the defects and issues identified by the Modification Proposal. |
| 17. | What would be the impacts on your business were P210 not approved?   |                       | Minimal as RWE's interpretation of Section P has been in line with existing convention and industry practice.       |
| 18. | Are there any further comments on P210 that you wish to make?  | No                    |   |

Please send your responses by **12pm on 28 February 2007** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email '**P210 Urgent Modification Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Chris Stewart on 020 7380 4309, email address [chris.stewart@elexon.co.uk](mailto:chris.stewart@elexon.co.uk).

## P210 – REVISIONS TO THE TEXT IN SECTION P RELATED TO SINGLE NOTIFICATIONS OF ENERGY CONTRACT VOLUMES AND METERED VOLUME REALLOCATIONS - URGENT CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|   |   |
|---|---|
| <b>Respondent:</b>  | Gary Henderson  |
| <b>Company Name:</b>  | SAIC Ltd. (for and on behalf of ScottishPower)  |
| <b>No. of BSC Parties Represented</b>                       | 6   |
| <b>Parties Represented</b>                                  | ScottishPower Energy Management Ltd, ScottishPower Generation Ltd, ScottishPower Energy Retail Ltd, SP Transmission Ltd, SP Manweb plc, SP Distribution Ltd |
| <b>No. of Non BSC Parties Represented</b>                   | 0   |
| <b>Non Parties represented</b>                              | N/A   |
| <b>Role of Respondent</b>                                   | Supplier / Generator / Trader / Consolidator / Exemptible Generator / Distributor   |
| <b>Does this response contain confidential information?</b> | No  |

| Q  | Question  | Response <sup>1</sup> | Rationale   |
|----|---|-----------------------|---|
| 1. | Do you agree that the Code has potential for misinterpretation with regard to the single notification process, and therefore should be revised? | Yes                   | The Code is currently out of step with established industry best practice, and should therefore be brought in line with these. This will provide a level of comfort and formality to these processes, ensuring that all Parties are certain of the procedures surrounding these activities. |

| Q  | Question   | Response <sup>1</sup> | Rationale  |
|----|--|-----------------------|--|
| 2. | Do you agree that the basis for any revisions to the single notification process should be established conventions and practices?  | Yes                   | ScottishPower believe that the changes required to the Code and the BSCP should reflect the current industry conventions and practices. These conventions and practices have evolved over time and are the result of many thousands of interactions, and as such, are a more efficient and pragmatic approach to the process of single notifications than is currently detailed in the Code. |
| 3. | <b>Effect of overwrite notifications on Settlement Days beyond its Effective To Date</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should overwrite the previous notification for all Settlement Periods on all Settlement Days from the Effective From Date of the replacement notification (as is current practice)?  | Yes                   | ScottishPower believe that the Code should be as clear and concise as possible, while adhering to accepted best practice.  |
| 4. | <b>Part day overwrites of notifications</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should always overwrite the entire previous notification for the Settlement Day (subject to Gate Closure) and that any Settlement Periods omitted in the replacement notification will be considered to be withdrawn and a MWh value of zero be applied (as is current practice)? | Yes                   | See answer to question 3.  |
| 5. | <b>Business validation of notifications</b><br>Do you agree that the Code should be amended to reflect that the Energy Contract Volume Allocation Agent (ECVAA) systems should reject an entire notification if  | Yes                   | See answer to question 3.  |

| Q  | Question  | Response <sup>1</sup>            | Rationale  |
|----|---|----------------------------------|--|
|    | any one Settlement Period fails validation (as is current practice)?  |                                  |  |
| 6. | <p><b>Notification of validation failures</b></p> <p>Do you agree that the Code should be amended to reflect that the ECVAAs should not be required to provide information on validation ('Notification Feedback') to a participant who has opted out of receiving Notification Feedback?</p>   | Yes                              | ScottishPower agree that if a Party has opted out of receiving Notification Feedback then, as long as they are made aware of the consequences and risks involved, they should not be provided with feedback reports. It seems entirely pointless to send a Party reports that they have no intention of reviewing. |
| 7. | <p><b>Refusal and rejection of notifications for credit reasons</b></p> <p>Do you agree that the Code should be amended to reflect that, if a Party is in Level 2 Credit Default, the ECVAAs systems should:</p> <ul style="list-style-type: none"> <li>Only reject individual Settlement Periods of a notification if that Settlement Period value has the effect of increasing the indebtedness of the Party (as is current practice)?</li> <li>Refuse the entire notification if any one Settlement Period has the effect of increasing indebtedness (as is current practice)?</li> <li>Not <b>refuse</b> a whole notification or <b>reject</b> an individual Settlement Period of a notification if one Settlement Period does not decrease indebtedness i.e. the ECVAAs systems should not reject or refuse when a Settlement Period has a neutral effect on indebtedness (as is current practice)?</li> </ul> | <p>Yes</p> <p>Yes</p> <p>Yes</p> | <p>See answer to question 3.</p> <p>See answer to question 3.</p> <p>See answer to question 3.</p>   |

| Q   | Question   | Response <sup>1</sup> | Rationale   |
|-----|--|-----------------------|---|
|     | practice)?   |                       |   |
| 8.  | <b>Cross Referencing for MVRNs</b><br><br>Do you agree that the cross reference in P3.3.2(a)(vii) is incorrect and should refer to paragraph 3.6.1 and not 3.5.1?  | Yes                   |   |
| 9.  | Do you believe Proposed Modification <b>P210 (i.e. the Modification be implemented on the next working day following an Authority direction to make the Modification)</b> better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s) | Yes                   | ScottishPower agree with the groups determination that the proposed modification facilitates achievement of the following objectives:<br><br><b>Objective (c)</b> The uncertainty caused by having the governance stating one process, and the industry following a different process is bad for competition. Many Parties (mostly smaller) may be discouraged from fully participating in the market because they are unwilling to assume the risk associated with this disconnect. This is obviously bad for competition.<br><br><b>Objective (d)</b> The apparent disconnect between governance and operational practice could potentially lead to the inefficient operation and administration of Settlement. |
| 10. | Do you believe Alternative Modification <b>P210 (i.e. the Modification be implemented with effect from the date it was raised – 5 February 2007)</b> better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s)                      | Yes                   | See answer to question 9.   |
| 11. |  |                       |   |

| Q   | Question   | Response <sup>1</sup> | Rationale   |
|-----|--|-----------------------|---|
|     | <p>Do you believe Alternative Modification <b>P210</b> better facilitates the achievement of the Applicable BSC Objectives than Proposed Modification <b>P210</b>?</p> <p>Please give rationale and state objective(s)</p> | No                    | <p>ScottishPower do not believe that the alternative modification better facilitates the applicable objectives over the proposed modification.</p> <p>We do not believe that a retrospective implementation adds any benefits. In fact, we believe that a retrospective implementation will actually undermine the certainty of the market operations. Without assurance that the rules under which all Parties interact are solid, Parties may be less inclined to participate fully. This would obviously be against Objective (c).</p>   |
| 12. | <p>Do you agree with the Modification Group's recommendation concerning the Implementation Date for:</p> <p>P210 Proposed?</p> <p>P210 Alternative?</p> <p>Please give rationale.</p>                                      | <p>Yes</p> <p>No</p>  | <p>ScottishPower are of the opinion that a retrospective implementation does not offer sufficient advantage to out-weigh the potential uncertainty created in the market by its implementation. Confidence in the firmness of the Code baseline is a fundamental building block of the market – to undermine that by making retrospective changes is unwelcome.</p> <p>Also, with delivery of the Final Mod Report timetabled for the 15<sup>th</sup> March, assuming the Authority make a prompt decision, the retrospective application of the change would only extend back several weeks to the 5<sup>th</sup> of February. A major reason for the alternative was to avoid gaming, but this protection would only extend back those several weeks. The potential problems with this alternative implementation date are therefore more serious than the remote possibility of gaming taking place for a few weeks.</p> |
| 13. | <p>Do you agree with the Modification Group's recommendation to include the addition of supporting information relating to the submission and processing of notifications into BSCP71?</p>                                 | Yes                   | <p>As a live operational document, the BSCP should contain all possible information required to allow Parties to follow a common process. The supporting documentation will ensure that the BSCP is open to even less interpretation than currently happens.</p>  |
| 14. |  |                       |   |



| Q   | Question  | Response <sup>1</sup> | Rationale   |
|-----|---|-----------------------|---|
|     | Do you agree with the Modification Group's recommendation that the identified changes to BSCP71 should be implemented on the P210 Implementation Date?  | Yes                   | ScottishPower believe that the changes to the Code and the changes to BSCP71 are dependent on each others implementation, and therefore it is important that all changes to these documents are implemented together.   |
| 15. | <p>Notwithstanding the Modification Group's view that the changes to BSCP71 should be implemented on the P210 Implementation Date, do you agree that the BSC changes themselves provide an unambiguous statement of how single notifications will be processed?</p> <p>Please give rationale. If "No", please state clearly any areas where you believe there remains some ambiguity.</p> | Yes                   | ScottishPower agree that the Code changes are sufficient to fully specify the processes to be followed. However, we are still of the opinion that the Code and BSCP changes are required together to provide the clearest view of how the processes will be operated.   |
| 16. | <p>Do you agree with the Modification Group's view that the BSC changes that have been provided correctly and fully addresses the issue or defect identified in the Modification Proposal?</p> <p>Please give rationale.</p>  | Yes                   | ScottishPower agree with the group's view that the proposed changes fully address the identified issues and defects.  |
| 17. | What would be the impacts on your business were P210 not approved?  |                       | ScottishPower currently adhere to commonly accepted best practice, and therefore the operational impact of not implementing P210 would be minimal. However, ScottishPower are firmly of the belief that the governance should be aligned with the operational practices. This current misalignment opens the entire market up to marked risk if there were to be a misinterpretation of the Code by other Parties. ScottishPower believe that this mod should be implemented at the earliest future date. |

| Q   | Question  | Response <sup>1</sup> | Rationale |
|-----|---|-----------------------|-----------|
| 18. | Are there any further comments on P210 that you wish to make? | No                    |           |

Please send your responses by **12pm on 28 February 2007** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email '**P210 Urgent Modification Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Chris Stewart on 020 7380 4309, email address [chris.stewart@elexon.co.uk](mailto:chris.stewart@elexon.co.uk).

## P210 – REVISIONS TO THE TEXT IN SECTION P RELATED TO SINGLE NOTIFICATIONS OF ENERGY CONTRACT VOLUMES AND METERED VOLUME REALLOCATIONS - URGENT CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|   |  |
|---|--|
| <b>Respondent:</b>  | <i>Andrew Colley</i>   |
| <b>Company Name:</b>  | Scottish and Southern Energy plc.  |
| <b>No. of BSC Parties Represented</b>                       | 6  |
| <b>Parties Represented</b>                                  | <i>SSE Energy Supply Ltd, SSE Generation Ltd, Keadby Generation Ltd, Medway Power Ltd, Southern Electric Power Distribution plc, Scottish Hydro-Electric Power Distribution Ltd.</i> |
| <b>No. of Non BSC Parties Represented</b>                   | 0  |
| <b>Non Parties represented</b>                              |  |
| <b>Role of Respondent</b>                                   | <i>Supplier/Generator/Trader/Distributor</i>   |
| <b>Does this response contain confidential information?</b> | <i>No</i>  |

| Q  | Question  | Response <sup>1</sup> | Rationale  |
|----|---|-----------------------|--|
| 1. | Do you agree that the Code has potential for misinterpretation with regard to the single notification process, and therefore should be revised? | Yes                   |  |
| 2. | Do you agree that the basis for any revisions to the single notification process should be established conventions and practices?               | Yes                   | The market operates to the conventions and practices in place and it would be unnecessarily costly, inefficient and detrimental to competition to require central service providers and market participants to change systems and processes to close a potential loop hole in the rules. |

| Q  | Question   | Response <sup>1</sup> | Rationale   |
|----|--|-----------------------|---|
| 3. | <b>Effect of overwrite notifications on Settlement Days beyond its Effective To Date</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should overwrite the previous notification for all Settlement Periods on all Settlement Days from the Effective From Date of the replacement notification (as is current practice)?  | Yes                   | <p>Unambiguous notification rules are critical to market participants given the potential exposure to imbalance cashout prices and additional costs that may be incurred as the result of an erroneous transaction.</p> <p>Clearer drafting would at best eliminate and at worst reduce the risk of misinterpretation of the notification rules by new market entrants and help to avoid such errors and their associated costs.</p> <p>Clarity and certainty of rules engenders increased confidence in market stability and thus assists in facilitating competition. Additionally it reduces the potential for costly legal challenge that may ultimately be funded on a socialised basis were a significant error to occur as a result of ambiguity in the rules.</p> <p>Given that market participants operate to this expectation and standard currently, it would be inefficient and expensive to change the systems to support any alternative interpretations than currently supported by central and participants' systems and processes.</p> |
| 4. | <b>Part day overwrites of notifications</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should always overwrite the entire previous notification for the Settlement Day (subject to Gate Closure) and that any Settlement Periods omitted in the replacement notification will be considered to be withdrawn and a MWh value of zero be applied (as is current practice)? | Yes                   | For the same rationale as 3. above  |
| 5. | <b>Business validation of notifications</b><br>Do you agree that the Code should be amended to reflect that the Energy Contract Volume Allocation Agent (ECVAA) systems should reject an entire notification if any one Settlement Period fails validation (as is current practice)?   | Yes                   | For the same rationale as 3. above  |

| Q  | Question  | Response <sup>1</sup>            | Rationale  |
|----|---|----------------------------------|--|
| 6. | <p><b>Notification of validation failures</b></p> <p>Do you agree that the Code should be amended to reflect that the ECVAAs should not be required to provide information on validation ('Notification Feedback') to a participant who has opted out of receiving Notification Feedback?</p>   | Yes                              | For the same rationale as 3. above   |
| 7. | <p><b>Refusal and rejection of notifications for credit reasons</b></p> <p>Do you agree that the Code should be amended to reflect that, if a Party is in Level 2 Credit Default, the ECVAAs should:</p> <ul style="list-style-type: none"> <li>Only reject individual Settlement Periods of a notification if that Settlement Period value has the effect of increasing the indebtedness of the Party (as is current practice)?</li> <li>Refuse the entire notification if any one Settlement Period has the effect of increasing indebtedness (as is current practice)?</li> <li>Not <b>refuse</b> a whole notification or <b>reject</b> an individual Settlement Period of a notification if one Settlement Period does not decrease indebtedness i.e. the ECVAAs should not reject or refuse when a Settlement Period has a neutral effect on indebtedness (as is current practice)?</li> </ul> | <p>Yes</p> <p>Yes</p> <p>Yes</p> | <p>For the same rationale as 3. above</p> <p>SSE have misgivings about whether the application of the Level 2 Credit Default rules by the systems is either reasonable or equitable to a Party (and particularly a generator) attempting to trade its way out of default.</p> <p>However, we would agree that it makes sense to ensure that the Code reflects how the systems operate in the first instance and allow a subsequent modification to be raised by a market participant if sufficient concern remains to do so.</p> |

| Q   | Question  | Response <sup>1</sup> | Rationale   |
|-----|---|-----------------------|---|
| 8.  | <p><b>Cross Referencing for MVRNs</b></p> <p>Do you agree that the cross reference in P3.3.2(a)(vii) is incorrect and should refer to paragraph 3.6.1 and not 3.5.1?</p>  | Yes                   | The current cross reference is self-evidently incorrect.  |
| 9.  | <p>Do you believe Proposed Modification <b>P210 (i.e. the Modification be implemented on the next working day following an Authority direction to make the Modification)</b> better facilitates the achievement of the Applicable BSC Objectives than the current baseline?</p> <p>Please give rationale and state objective(s)</p> | Yes                   | <p>SSE believe that the proposed modification better facilitates objective c) by engendering greater certainty and confidence in notification rules amongst market players and new entrants as well as avoiding unnecessary cost of change to participants systems.</p> <p>SSE believe that the proposed modification also better facilitates objective d) by avoiding the need to change central systems unnecessarily and reducing the potential risk for BSC Parties to incur socialised legal costs via Elexon.</p> |
| 10. | <p>Do you believe Alternative Modification <b>P210 (i.e. the Modification be implemented with effect from the date it was raised – 5 February 2007)</b> better facilitates the achievement of the Applicable BSC Objectives than the current baseline?</p> <p>Please give rationale and state objective(s)</p>                      | Yes                   | For the same rationale as 9. above  |

| Q   | Question   | Response <sup>1</sup> | Rationale   |
|-----|--|-----------------------|---|
| 11. | <p>Do you believe Alternative Modification <b>P210</b> better facilitates the achievement of the Applicable BSC Objectives than Proposed Modification <b>P210</b>?</p> <p>Please give rationale and state objective(s)</p> | Yes                   | <p>On balance, SSE believes that the limited amount of retrospection in this case is warranted. We believe that it will provide a greater assurance that the current ambiguities cannot be exploited whilst the decision on whether or not to approve the change is pending with the Panel and the Authority.</p> <p>SSE would contend that this issue has been clearly flagged as being potentially retrospective by the Panel upon raising the modification, and has the potential to be material, and therefore it meets key criteria for retrospection set by the Authority in previous modification decisions.</p>       |
| 12. | <p>Do you agree with the Modification Group's recommendation concerning the Implementation Date for:</p> <p>P210 Proposed?</p> <p>P210 Alternative?</p> <p>Please give rationale.</p>                                      | <p>Yes</p> <p>Yes</p> | <p>As the modification is focused upon removing ambiguity and providing certainty, and would appear to have little or no impact upon systems and processes, then it would be desirable to implement the change as quickly as possible.</p>  |
| 13. | <p>Do you agree with the Modification Group's recommendation to include the addition of supporting information relating to the submission and processing of notifications into BSCP71?</p>                                 | Yes                   | <p>The Code change will clarify the obligations but will not provide the detailed procedural rules that are necessary to put in place supporting systems and processes that comply with the central expectations of overwrite messaging. Inclusion of this information within BSCP71 is therefore an important element of this change if the desired clarity is to be achieved.</p> <p>SSE agree that is important to encompass these procedural rules within a Code Subsidiary Document and the increased responsibility that this implies rather than any other document that is in practice not enforceable, e.g. URS.</p> |

| Q   | Question   | Response <sup>1</sup> | Rationale  |
|-----|--|-----------------------|--|
| 14. | Do you agree with the Modification Group's recommendation that the identified changes to BSCP71 should be implemented on the P210 Implementation Date?   | Yes                   | For the same rationale as 13. above  |
| 15. | Notwithstanding the Modification Group's view that the changes to BSCP71 should be implemented on the P210 Implementation Date, do you agree that the BSC changes themselves provide an unambiguous statement of how single notifications will be processed?<br><br>Please give rationale. If "No", please state clearly any areas where you believe there remains some ambiguity. | Yes / No              | The revised drafting makes reference to BSCP71 in several places throughout Section P, but specifically P2.3.2 (c) (i) makes reference to the identifier provided for in BSCP71 so there is clearly a key interaction that would be diminished were the BSCP71 changes to be withheld. However, the Code changes would seem to clarify what the obligations are whilst not necessarily assisting on how best to meet those obligations.  |
| 16. | Do you agree with the Modification Group's view that the BSC changes that have been provided correctly and fully addresses the issue or defect identified in the Modification Proposal?<br><br>Please give rationale.  | Yes                   | On the basis that this modification seeks to align the Code with the way that systems and processes operate in practice. SSE retain misgivings about whether the treatment of ECVN refusals and rejections when in Level 2 credit default is the most appropriate mechanism to apply as it would seem to limit a generator's options to trade out of default. However we also agree that this issue can be progressed as a separate modification if sufficient concern exists in the market. |



| Q   | Question   | Response <sup>1</sup> | Rationale  |
|-----|--|-----------------------|--|
| 17. | What would be the impacts on your business were P210 not approved? |                       | <p>On the assumption that central systems do not change, then SSE would not change our current systems and processes were P210 not approved and would carry on notifying in the same we do now. There would therefore be no direct impact. Indirectly, however we would be concerned about the potential exposure to exploitation of the ambiguities and the financial consequences and/or the potential exposure to socialised legal costs incurred by Elexon to defend any potential law suit that could arise.</p> <p>If central systems were to change however to comply with the alternate interpretation, then there would be a direct impact upon our systems as they would need to change to meet the alternate view of the rules.</p> |
| 18. | Are there any further comments on P210 that you wish to make?      | No                    | <p>SSE do not believe as a point of principle that commercial rules should be changed to match the way that systems were built, rather we would hope that systems would be built to meet the requirements of the market. However, in this case it is clear that Parties' systems also operate to the standard expected by the systems and would agree that changing the rules to match the systems is the most appropriate course of action.</p>   |

Please send your responses by **12pm on 28 February 2007** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email '**P210 Urgent Modification Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Chris Stewart on 020 7380 4309, email address [chris.stewart@elexon.co.uk](mailto:chris.stewart@elexon.co.uk).

## P210 – REVISIONS TO THE TEXT IN SECTION P RELATED TO SINGLE NOTIFICATIONS OF ENERGY CONTRACT VOLUMES AND METERED VOLUME REALLOCATIONS - URGENT CONSULTATION QUESTIONS

BSC Parties ("Parties") and other interested parties are invited to respond to this consultation expressing their views or provide any further evidence on any of the matters contained within this document. In particular views are sought in respect of the following questions. Parties are invited to supply the rationale for their responses.

|   |   |
|---|---|
| <b>Respondent:</b>  | <i>Martin Mate</i>  |
| <b>Company Name:</b>  | British Energy  |
| <b>No. of BSC Parties Represented</b>                       | 5   |
| <b>Parties Represented</b>                                  | <i>British Energy Power &amp; Energy Trading Ltd, British Energy Generation Ltd, British Energy Direct Ltd, Eggborough Power Ltd, British Energy Generation Ltd</i> |
| <b>No. of Non BSC Parties Represented</b>                   | -   |
| <b>Non Parties represented</b>                              | -   |
| <b>Role of Respondent</b>                                   | <i>Supplier/Generator/Trader/Consolidator/Exemptable Generator/Party Agent</i>  |
| <b>Does this response contain confidential information?</b> | <i>No</i>   |

| Q  | Question  | Response <sup>1</sup> | Rationale   |
|----|---|-----------------------|---|
| 1. | Do you agree that the Code has potential for misinterpretation with regard to the single notification process, and therefore should be revised? | Yes                   |   |
| 2. | Do you agree that the basis for any revisions to the single notification process should be established conventions and practices?               | Yes                   | Changes to existing custom and practice would be better dealt with through future modification or change proposals. |

| Q  | Question   | Response <sup>1</sup> | Rationale |
|----|--|-----------------------|-----------|
| 3. | <b>Effect of overwrite notifications on Settlement Days beyond its Effective To Date</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should overwrite the previous notification for all Settlement Periods on all Settlement Days from the Effective From Date of the replacement notification (as is current practice)?  | Yes                   |           |
| 4. | <b>Part day overwrites of notifications</b><br>Do you agree that the Code should be amended to unambiguously reflect that a replacement notification should always overwrite the entire previous notification for the Settlement Day (subject to Gate Closure) and that any Settlement Periods omitted in the replacement notification will be considered to be withdrawn and a MWh value of zero be applied (as is current practice)? | Yes                   |           |
| 5. | <b>Business validation of notifications</b><br>Do you agree that the Code should be amended to reflect that the Energy Contract Volume Allocation Agent (ECVAA) systems should reject an entire notification if any one Settlement Period fails validation (as is current practice)?   | Yes                   |           |
| 6. | <b>Notification of validation failures</b><br>Do you agree that the Code should be amended to reflect that the ECVAA should not be required to provide information on validation ('Notification Feedback') to a participant who has opted out of receiving Notification Feedback?  | Yes                   |           |

| Q  | Question  | Response <sup>1</sup>            | Rationale |
|----|---|----------------------------------|-----------|
| 7. | <p><b>Refusal and rejection of notifications for credit reasons</b></p> <p>Do you agree that the Code should be amended to reflect that, if a Party is in Level 2 Credit Default, the ECVAAs systems should:</p> <ul style="list-style-type: none"> <li>• Only reject individual Settlement Periods of a notification if that Settlement Period value has the effect of increasing the indebtedness of the Party (as is current practice)?</li> <li>• Refuse the entire notification if any one Settlement Period has the effect of increasing indebtedness (as is current practice)?</li> <li>• Not <b>refuse</b> a whole notification or <b>reject</b> an individual Settlement Period of a notification if one Settlement Period does not decrease indebtedness i.e. the ECVAAs systems should not reject or refuse when a Settlement Period has a neutral effect on indebtedness (as is current practice)?</li> </ul> | <p>Yes</p> <p>Yes</p> <p>Yes</p> |           |
| 8. | <p><b>Cross Referencing for MVRNs</b></p> <p>Do you agree that the cross reference in P3.3.2(a)(vii) is incorrect and should refer to paragraph 3.6.1 and not 3.5.1?</p>  | Yes                              |           |

| Q   | Question   | Response <sup>1</sup> | Rationale   |
|-----|--|-----------------------|---|
| 9.  | Do you believe Proposed Modification <b>P210</b> (i.e. the <b>Modification be implemented on the next working day following an Authority direction to make the Modification</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s) | Yes                   |   |
| 10. | Do you believe Alternative Modification <b>P210</b> (i.e. the <b>Modification be implemented with effect from the date it was raised – 5 February 2007</b> ) better facilitates the achievement of the Applicable BSC Objectives than the current baseline?<br><br>Please give rationale and state objective(s)                      | No                    | In principle, we consider that retrospective modifications undermine investment and operating decisions and should be avoided. In this case, we note that the retrospective effectiveness would not be before industry was made aware of the proposed modification, and that the effect of retrospective implementation would only be to confirm existing industry custom and practice. |
| 11. | Do you believe Alternative Modification <b>P210</b> better facilitates the achievement of the Applicable BSC Objectives than Proposed Modification <b>P210</b> ?<br><br>Please give rationale and state objective(s)   | Yes                   | Although we object in principle to retrospective modifications, in the particular circumstances of this proposal we acknowledge that retrospective implementation would on balance better meet BSC Objectives, provided implementation is not before the date on which industry was made aware of the modification.   |
| 12. | Do you agree with the Modification Group's recommendation concerning the Implementation Date for:<br><br>P210 Proposed?<br><br>P210 Alternative?<br><br>Please give rationale.   | Yes<br><br>Yes        |   |

| Q   | Question   | Response <sup>1</sup> | Rationale   |
|-----|--|-----------------------|---|
| 13. | Do you agree with the Modification Group's recommendation to include the addition of supporting information relating to the submission and processing of notifications into BSCP71?  | Yes                   |   |
| 14. | Do you agree with the Modification Group's recommendation that the identified changes to BSCP71 should be implemented on the P210 Implementation Date?   | Yes / No              | We support changes to BSCP71 but are neutral on the implementation date.  |
| 15. | Notwithstanding the Modification Group's view that the changes to BSCP71 should be implemented on the P210 Implementation Date, do you agree that the BSC changes themselves provide an unambiguous statement of how single notifications will be processed?<br><br>Please give rationale. If "No", please state clearly any areas where you believe there remains some ambiguity. | Yes / No              | We have not been able to fully review the legal text in the time available, but based on review of a previous draft available to the modification group fully expect the text to be better than the existing baseline.                                |
| 16. | Do you agree with the Modification Group's view that the BSC changes that have been provided correctly and fully addresses the issue or defect identified in the Modification Proposal?<br><br>Please give rationale.  | Yes / No              | As for Q15.   |
| 17. | What would be the impacts on your business were P210 not approved?   |                       | Changes to systems to reflect an interpretation of the BSC different from existing custom and practice could be significant. The general commercial risk associated with uncertainty in the BSC arrangements for BE and other parties is significant. |

| Q   | Question  | Response <sup>1</sup> | Rationale          |
|-----|---|-----------------------|--------------------|
| 18. | Are there any further comments on P210 that you wish to make? | Yes / No              | None at this time. |

Please send your responses by **12pm on 28 February 2007** to [modification.consultations@elexon.co.uk](mailto:modification.consultations@elexon.co.uk) and please entitle your email '**P210 Urgent Modification Consultation**'. Please note that any responses received after the deadline may not receive due consideration by the Panel.

Any queries on the content of the consultation pro-forma should be addressed to Chris Stewart on 020 7380 4309, email address [chris.stewart@elexon.co.uk](mailto:chris.stewart@elexon.co.uk).