



February 2003

ASSESSMENT REPORT
MODIFICATION PROPOSAL P106 –
Ammendment to the BSC to allow
multiple Supplier Ids.

Prepared by the Volum Allowcation Standing
Modification Group on behalf of the Balancing and
Settlement Code Panel

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1	Initial Assessment of Modification Proposal P106 – Amendment to the BSC to Allow Multiple Supplier Ids ftp://www.elexon.co.uk/ta/modifications/modsprops/P106/P106_IWA.pdf	ELEXON	1.0	08/11/02
2	Requirements Specification for Modification P106 ‘Amendment to the BSC to Allow Multiple Supplier Ids’ ftp://www.elexon.co.uk/ta/modifications/modsprops/P106/P106_RS.pdf	ELEXON	1.0	09/12/02
3	Assessment Consultation Modification Proposal P106 Amendment to the BSC to Allow Multiple Supplier Ids ftp://www.elexon.co.uk/ta/modifications/modsprops/P106/P106_assess_consult_doc.pdf	ELEXON	1.0	14/01/03

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1 SUMMARY AND RECOMMENDATIONS

1.1 Recommendations

On the basis of the analysis, consultation and assessment undertaken in respect of this Modification Proposal during the Assessment Phase, and the resultant findings of this report, the Volume Allocation Standing Modification Group (VASMGM) recommends that the BSC Panel should:

- (a) AGREE that the Proposed Modification P106 should be made;**
- (b) AGREE a provisional Implementation Date for the Proposed Modification P106 of 24 June 2003 if a decision is received prior to 23 April 2003; or 4 November 2003 if a decision is received on or after 23 April 2003 and prior to 2 September 2003; and**
- (c) AGREE that the draft Modification Report be issued for consultation and submitted to the Panel Meeting on 13 March 2003.**

1.2 Background

Modification Proposal P106 'Amendment to the BSC to allow multiple Supplier Ids' (P106) (Annex 1) was raised by British Gas Trading on 25 October 2002, and the Initial Written Assessment for P106 (Reference 1) was considered by the Balancing and Settlement Code Panel ('the Panel') at its meeting of 14 November 2002. The Panel agreed to submit P106 to the Assessment Procedure to be conducted by the VASMGM. The Panel agreed that the Assessment Report should be presented at the Panel meeting on 13 February 2003, allowing a 3-month Assessment Procedure.

P106 proposes to amend the Balancing and Settlement Code ('the Code') to allow BSC Parties to have more than one Supplier Id per BSC Party Id. The rationale for raising P106 as identified in the Initial Assessment was that the Code is not specific in this area as it does not explicitly forbid multiple Supplier Ids, but could be interpreted as implying a single Supplier Id per Party.

During the Assessment of P106 the VASMGM met three times, on 20 November 2002, 20 December 2002 and 29 January 2003 to assess P106 against the Applicable BSC Objectives identified, consider the issues, identify potential solutions, consider consultation responses and impact assessment and to agree the recommendations to be made to the Panel in respect of P106. A request for an Impact Assessment, based on the Requirements Specification was issued on 9 December 2002, with responses received by 16 December 2002; and an Assessment Consultation was issued on 14 January 2003, with responses received by 24 January 2003.

To assist in the assessment of P106:

- A Requirement Specification (Reference 2) detailing the solution proposed by the VASMGM was produced on 9 December 2002; and
- A request for an Impact Assessment, based on the Requirements Specification (Reference 2) was issued on 9 December 2002, with responses received by 16 December 2002; and

- An Assessment Consultation (Annex 3) was issued on 14 January 2003, with responses received by 24 January 2003.

The VASMG met on the 29 January 2003 to consider the responses made in respect of the Assessment Consultation, to finalise the assessment of P106, agree the content of the Assessment Report and finalise the recommendations in respect of P106.

The VASMG agreed that it would not be appropriate to restrict the number of Supplier Ids allowable should they be requested for trade sales and mergers thus not imposing a barrier to commercial activities. The VASMG also agreed that a limit should apply in the case where they are requested for Suppliers own internal use to prevent the number of Supplier Ids growing out of control, and the resultant costs and impacts on system limits, and to be equitable to all Parties.

The VASMG agreed that the Proposed Modification Proposal P106 should be made, thus allowing for multiple Supplier Ids for reasons of trade sales and mergers as well as for Suppliers own internal business requirements.

1.3 Rationale for Recommendations

The following details the high level rationale for the recommendations of the VASMG with regards to P106. The supporting deliberations and considerations are provided throughout this Assessment Report.

P106 relates to the use of data item 'Supplier Id' in the process of Supplier Volume Allocation (SVA). This data item is described in the SVA Data Catalogue as follows:

The unique market wide reference for a Supplier of electricity. A supplier is an organisation with a Supply License. A licensed supplier may supply customers as defined in his PES or second tier supply license. Suppliers with license exemptions may not supply metering systems registered in SMRS.

The Supplier Id takes the form of a four-character identifier (e.g. 'SEEB' for Seeboard Energy Ltd)¹. This data item is used to identify a particular Supplier in the systems operated by Supplier Meter Registration Agents and other SVA participants. It should be noted that this Supplier Id is not the same as the BSC Party Id used to identify BSC Parties in the NETA central systems, as it is a level below BSC Party Id, for example:

- British Gas Trading Limited has a single Party ('BRITGAS') which is used to identify that company in the NETA central systems. The Balancing and Settlement Code does not allow a BSC Party to have more than one BSC Party Id², and P106 does not propose to change this.
- However, certain Suppliers do use more than one Supplier Id. British Gas Trading Limited, for example, uses Supplier Ids 'BGAS' and 'ENRD'.

Annex 5 to this document contains a list of the Supplier Id(s) used by each BSC Party.

¹ Information in this assessment report relating to the Party Ids and Supplier Ids of specific BSC Parties is derived from the registration data published on the ELEXON website (www.elexon.co.uk).

² Modification Proposal P57, raised by British Gas Trading Limited on 3 December 2001, proposed to relax this rule. However, Ofgem decided (on 12 June 2002) that this change should not be made.

1.3.1 Solutions to Modification Proposal P106

Currently, the Code makes provision for multiple Supplier Ids only in the case of Supplier failure (i.e. Supplier of Last Resort (SoLR)), and there is some ambiguity as to whether multiple Supplier Ids are allowed for other scenarios. The VASMG concluded that P106 should clarify the circumstances where multiple Supplier Ids are allowed under the Code.

The VASMG identified two scenarios in which multiple Supplier Ids may be required (other than in a SoLR situation), these being for:

- Scenario a): trade sales and mergers,
- Scenario b): Suppliers own internal business use.

The VASMG considered two possible options for the implementation of P106:

Option 1: To allow multiple Supplier Ids for the purpose of trade sales and mergers only (scenario a));

Option 2: To allow multiple Supplier Ids for the purposes as defined in Option 1 and for the purpose of Suppliers own internal business use (scenario a) and b)).

The VASMG agreed that either option would satisfy the objectives of P106. Furthermore, option 1 was considered to be an essential minimum requirement if P106 is to address the perceived defects in the Code and provide clarification of multiple Supplier Ids allowable under the Code.

1.3.2 Assessment Issues

The VASMG identified the key issues, which they believe needed to be addressed during the Assessment of P106. The discussions and considerations of the VASMG with respect to these issues are set out in section 5 of this Assessment Report, but are summarised as follows:

- **Limit to Multiple Supplier Ids**

The VASMG considered whether there would be a requirement to limit the number of Supplier Ids per BSC Party to prevent the numbers growing out of control and the associated costs, and to ensure the allocation of Supplier Ids is equitable to all Parties.

The VASMG agreed that it would not be appropriate to restrict the number of Supplier Ids allowable where they are to be requested for trade sales and mergers (scenario a)). This would not increase the total number of Supplier Ids, as they are transferred from one BSC Party to another. The VASMG also agreed that a limit should apply in the case where they are requested for Suppliers own internal use (scenario b)) to prevent the number of Supplier Ids growing out of control, and the resultant costs and impacts on system limits, and to be equitable to all Parties.

Two limiting factors have been identified that effectively place a limit on the number of available additional Supplier Ids, these being the system design criteria for both the SVAA system and the CRA system. The CRA system has a design limit of 5000 BM Units with a SVAA system design limit of 200 Suppliers, the most limiting factor in relation to P106 being that of the SVAA system. The VASMG noted that changes to these systems to increase these limits could potentially constitute a major systems redesign resulting in considerable costs to BSC Parties and should not be considered as a solution to P106.

The SVAA system with a design limit of 200 Suppliers (given that systems regard Suppliers as Supplier Ids) imposes an effective limit of 200 Supplier Ids.

Currently, there are approximately 40 BSC Parties with 50 Supplier Ids. It is anticipated that this number will naturally increase over time with, new entrants and the BETTA arrangements to around 50 BSC Parties with 60 Supplier Ids. As central systems are restricted to 200 Supplier Ids this gives a spare capacity of 140 Supplier Ids. This therefore allows each of the 50 Suppliers to have an additional 2 more Supplier Ids. This leaves 40 Suppliers Ids (13 Suppliers) in reserve for further new entrants. The VASMG agreed that this approach will not allow one Supplier to have a number of Supplier Ids that could not be given to another.

The VASMG considered the likely take up of requests for additional Supplier Ids by BSC Parties under scenario b) conditions and concluded that sufficient disincentives exist such as the relative complexity and inflexibility compared with providing the facility internally within their own organisations. A BSC Party wishing to separate customer groups for example, may choose to do so within their own business thus avoiding associated additional BSC charges. The VASMG also concluded that it would be unlikely therefore, for all BSC Parties (Suppliers) to request the full quota of additional Supplier Ids.

- **Changes to BSC Agent systems**

P106 does not require any changes to existing systems or processes, and could be implemented without changing anything other than the text within the Code and Code Subsidiary Documents to cover the processes used to date. However, the VASMG considered the potential enhancements to the processes associated with multiple Supplier Ids which it may be appropriate to implement in conjunction with P106 to make the processes more robust if multiple Supplier Ids are to be allowed. These are described below:

- Enhancements to the registration process in support of Scenario a).

As a result of consultation it was agreed that the existing Change of BM Unit Ownership (CoBo) process satisfy this requirement and therefore no enhancements are required.

- Enhancements to the registration process in support of Scenario b).

It was identified that there are possible enhancements to support this to make the processes used more robust. This requirement would require changes to the CRA systems and processes, an estimate of £132,000 was indicated.

- Enhancements to BSC Agent Systems to allow the number of Supplier Ids to exceed current system design limits.

This option was not explored as the VASMG considered the requirement for multiple Supplier Ids would not exceed central system design limits (which are 200 Supplier Ids and 5000 BM Units) within the foreseeable future.

The VASMG noted that these enhancements would not be needed or justifiable with the small numbers of additional Supplier Ids required at least initially, noting that such enhancements could be introduced at a later stage should the number of Supplier Ids required increase significantly. The VASMG agreed that the existing processes within BSCCo should be enhanced to ensure more robust processes for dealing with requests for multiple Supplier Ids.

- **Cost recovery**

The VASMG agreed that it would be appropriate to consider the different cost recovery options under both scenarios a) and b) (See section 1.3.1). These options include spreading the implementation and development costs across all BSC Parties (though the standard cost recovery mechanisms), or targeting costs at the BSC Parties requiring additional Supplier Ids through specific charging. The Code specifies BSC Party charges in relation to BM Units under Annex D-3. These charges specify that for each set of Base BM Units, £100 per month for each set is applicable. The VASMG agreed that this goes some way to ensuring that costs are attributed appropriately in the case where additional Supplier Ids are required.

- **Principle of Transfer**

The VASMG considered the implications of transferring multiple Supplier Ids under a merger or trade sale situation and concluded that when a BSC Party inherits the Supplier Ids of another, the inherited Supplier Ids should all be deemed as scenario a) Supplier Ids. This provides unlimited Supplier Ids in the case of scenario a) but retains the ability for a BSC Party to have up to 2 additional Supplier Ids for its own internal business use.

1.3.3 Applicable BSC Objectives

The VASMG, having reached a conclusion on each of the assessment issues (see section 1.3.2 and section 5), considered how the conclusions on the impacts and incentives of P106 would lead to the Proposed Modification better facilitating the achievement of each of the Applicable BSC Objectives, and the extent to which this is the case.

The VASMG noted that current business practices require provision for multiple Supplier Ids in the particular case of scenario a) and to a much lesser extent for scenario b).

The VASMG agreed that clarification of the rules relating to multiple Supplier Ids would facilitate the achievement of Applicable BSC Objective 3(d), in that the current uncertainty over what is supported by the Code did not lead to an efficient process for handling requests for multiple Supplier Ids.

In the case of scenario a), there was unanimous agreement within the VASMG that multiple Supplier Ids are the only way of implementing a trade sale or merger in a timely manner. Allowing this was therefore likely to better facilitate the achievement of BSC Objective 3(c); i.e. to improve competition in the supply and generation of electricity. Conversely, the VASMG considered prohibiting BSC Parties from having multiple Supplier Ids would prevent efficient trade sales or mergers, representing a barrier to competition in the supply and generation of electricity.

In the case of scenario b), the costs associated with additional Supplier Ids are potentially more of an issue, as the number of additional Ids could be higher than those for scenario a). However, the VASMG agreed not to include the central system enhancements and the costs therefore, of implementing the solution for P106 are minimal administrative costs (see section 1.3.2). Scenario b) would therefore allow Parties some flexibility in the use of Supplier Ids which may promote competition, BSC Objective 3(c), and by making the process for introducing multiple Supplier Ids more robust at minimal cost would potentially improve efficiency, BSC Objective 3(d).

On balance (two thirds), responses to the request for industry consultation indicated that the costs associated with the implementation of scenarios a) and b) were not onerous and even less so as additional enhancements to the registration process were not required.

- **Assessment Consultation Responses**

The VASMG noted that, all 12 respondents agreed that P106 facilitates BSC Objectives 3 (c) and or 3 (d), thus providing additional support for the VASMG assertions.

2 INTRODUCTION

This Report has been prepared by ELEXON Ltd., on behalf of the Balancing and Settlement Code Panel ('the Panel'), in accordance with the terms of the Balancing and Settlement Code ('BSC'). The BSC is the legal document containing the rules of the balancing mechanism and imbalance settlement process and related governance provisions. ELEXON is the company that performs the role and functions of the BSCCo, as defined in the BSC.

An electronic copy of this document can be found on the BSC website, at www.elexon.co.uk

3 MODIFICATION GROUP DETAILS

This Assessment Report has been prepared by the Volume Allocation Standing Modification Group (VASMG). The Membership of the Modification Group was as follows:

Member	Organisation
Mike Downing	ELEXON (chairman)
Rob Cullender	British Gas Trading (Proposer)
Robert Brown	Cornwall Consulting Limited
Richard Harrison	Npower
Afroze Miah	Powergen
Colin Prestwich	SmartestEnergy
Jonathan Purdy	Seeboard
Clare Talbot	National Grid
Andrew Latham	British Gas Trading
Brian Nichol	NEDL
Keith Campion	ELEXON (Analyst)
John Lucas	ELEXON (Analyst)

Additional attendees at the meetings included:

Attendee	Organisation
Jerome Williams	Ofgem
Anna Millar	ELEXON (Analyst)
Ijeoma Obi	ELEXON (Analyst)
Melanie Naulls	ELEXON (Legal)
Caroline Ainsley	Calanais

4 PROPOSED MODIFICATION

A BSC Party wishing to trade in the SVA market is required to have a Supplier Id. The Supplier Id is attributed to the BSC Party as part of the registration process in which the Supplier Id is allocated one Base BM Unit for each GSP Group. The relationship between BSC Party and Supplier Id is normally one to one. However, for a number of reasons a BSC Party may require one or more additional Supplier Ids.

A number of BSC Parties currently have more than one Supplier Id, however the Code is ambiguous on the conditions under which this practice is allowed. Although nothing in the Code explicitly forbids a BSC Party from having more than one Supplier Id, certain sections of the Code could be interpreted as implying a single Supplier Id per BSC Party. For example:

- Table X-5 states that a 'Z' subscript (as used in Section S of the Code) identifies a particular Supplier (i.e. a particular BSC Party). This implies, for example, that metered volumes passed from Data Aggregators to the Supplier Volume Aggregation Agent (SVAA) should be aggregated to the Supplier level. In fact, however, SVA processes are designed to aggregate to the level of the Supplier Id, not the Supplier. It could be argued, therefore, that SVA processes are inconsistent with the Code in the case where a Party has more than one Supplier Id.
- Section K3.3.5 of the Code defines a 'Base BM Unit' as being the single BM Unit per Supplier and GSP Group that is automatically registered when a Party registers itself as a Supplier. This definition does not make any allowance for a Supplier having more than one Base BM Unit in a GSP Group. However, any Supplier with multiple Supplier Ids will also have multiple Base BM Units per GSP Group.

Because of this lack of clarity in the Code, it is currently unclear whether Parties should be allowed to register multiple Supplier Ids. P106 proposes that it would be beneficial to clarify the Code in order to resolve this uncertainty.

P106 proposes to amend the Code to allow Parties to have more than one Supplier Id (and thus sets of Base BM Units) for any reason.

Following discussion of the Initial Assessment for P106 (Reference 1), the VASMG agreed that there were two broad categories of situation in which multiple Supplier Ids may be required:

- **Scenario (a)** is any sort of merger, take-over or asset sale that leads one BSC Party (Supplier) to acquire the Supplier Id of another, hence acquiring multiple Supplier Ids. This process is catered for within the Central Registration Agent (CRA) systems by a Change of BM Unit Ownership (COBO) that transfers ownership of Supplier BM Units from one BSC Party to another. It should be noted that the transfer takes effect from a given date in the future i.e. historical liabilities are not transferred.
- **Scenario (b)** is any use of multiple Supplier Ids to meet internal BSC Party (SVA) business requirements. This would typically be for the purposes of identifying customer groups (e.g. separate Supplier Ids for Half Hourly and non Half Hourly customers, or separate Supplier Ids for different brands managed by a single SAV Supplier).

For the avoidance of doubt, the VASMG considered the following to be outside the scope of P106:

- It has been recognised that multiple Supplier Ids exist under the Failing Supplier Process (Supplier of Last Resort SoLR) as defined in Section K7 of the Code. The VASMG agreed

that these processes are robust and closely defined and that P106 therefore, should not seek to change these processes.

- Any process for retrospectively transferring liabilities from one Party to another (in order to support sale of assets including all historic liabilities).
- Transfer of a subset of the customers associated with a Supplier Id (e.g. a single BM Unit, or all Half Hourly customers, or all domestic customers) from one Party to another.

Consideration was given to the option of providing a time frame in which a Supplier should reduce the number of Supplier Ids under scenario a). On balance the VASMG were of the view that it is not possible to consider options to specify a time limit appropriate to all cases.

The VASMG considered two options for the implementation of P106:

Option 1: To allow multiple Supplier Ids for the purpose of trade sales and mergers (scenario a));

Option 2: To allow multiple Supplier Ids for the purposes as defined in Option 1 and for the purpose of Suppliers own internal business use (scenario a) and b)).

The VASMG agreed that either option would satisfy the objectives of P106. Further more, option 1 was considered to be an essential requirement if P106 is to address the perceived defects in the Code and provide clarification of multiple Supplier Ids allowable under the Code.

5 ASSESSMENT OF MODIFICATION PROPOSAL P106

The VASMG identified issues that it considered to be key in the assessment of P106. The following reflects the considerations and conclusions of the VASMG in respect of each issue.

• Limit to Multiple Supplier Ids

The VASMG considered whether there would be a requirement to limit the number of Supplier Ids per BSC Party to prevent the numbers growing out of control and the associated costs, and to ensure the allocation of Supplier Ids is equitable to all Parties.

The VASMG agreed that it would not be appropriate to restrict the number of Supplier Ids allowable where they are to be requested for trade sales and mergers (scenario a)). This would not increase the total number of Supplier Ids, as they are transferred from one BSC Party to another. The VASMG also agreed that a limit should apply in the case where they are requested for Suppliers own internal use (scenario b)) to prevent the number of Supplier Ids growing out of control, and the resultant costs and impacts on system limits, and to be equitable to all Parties.

Two limiting factors have been identified that effectively place a limit on the number of available additional Supplier Ids, these being the system design criteria for both the SVAA system and the CRA system. The CRA system has a design limit of 5000 BM Units with a SVAA system design limit of 200 Suppliers, the most limiting factor in relation to P106 being that of the SVAA system. The VASMG noted that changes to these systems to increase these limits could potentially constitute a major systems redesign resulting in considerable costs to BSC Parties and should not be considered as a solution to P106.

The SVAA system with a design limit of 200 Suppliers (given that systems regard Suppliers as Supplier Ids) imposes an effective limit of 200 Supplier Ids.

Currently, there are approximately 40 BSC Parties with 50 Supplier Ids. It is anticipated that this number will naturally increase over time with, new entrants and the BETTA arrangements to around 50 BSC Parties with 60 Supplier Ids. As central systems are restricted to 200 Supplier Ids this gives a spare capacity of 140 Supplier Ids. This therefore allows each of the 50 Suppliers to have an additional 2 more Supplier Ids. This leaves 40 Suppliers Ids (13 Suppliers) in reserve for further new entrants. The VASMG agreed that this approach will not allow one Supplier to have a number of Supplier Ids that could not be given to another.

The VASMG considered the likely take up of requests for additional Supplier Ids by BSC Parties under scenario b) conditions and concluded that sufficient disincentives exist such as the relative complexity and inflexibility compared with providing the facility internally within their own organisations. A BSC Party wishing to separate customer groups for example, may choose to do so within their own business thus avoiding associated additional BSC charges. The VASMG also concluded that it would be unlikely therefore, for all BSC Parties (Suppliers) to request the full quota of additional Supplier Ids.

- **Changes to BSC Agent systems**

P106 does not require any changes to existing systems or processes, and could be implemented without changing anything other than the text within the Code and Code Subsidiary Documents to cover the processes used to date. However, the VASMG considered the potential enhancements to the processes associated with multiple Supplier Ids which it may be appropriate to implement in conjunction with P106 to make the processes more robust if multiple Supplier Ids are to be allowed. These are described below:

- Enhancements to the registration process in support of Scenario a).
As a result of consultation it was agreed that the existing Change of BM Unit Ownership (CoBo) process satisfy this requirement and therefore no enhancements are required.
- Enhancements to the registration process in support of Scenario b).
It was identified that there are possible enhancements to support this to make the processes used more robust. This requirement would require changes to the CRA systems and processes, an estimate of £132,000 was indicated.
- Enhancements to BSC Agent Systems to allow the number of Supplier Ids to exceed current system design limits.
This option was not explored as the VASMG considered the requirement for multiple Supplier Ids would not exceed central system design limits (which are 200 Supplier Ids and 5000 BM Units) within the foreseeable future.

The VASMG noted that these enhancements would not be needed or justifiable with the small numbers of additional Supplier Ids required at least initially, noting that such enhancements could be introduced at a later stage should the number of Supplier Ids required increase significantly. The VASMG agreed that the existing processes within BSCCo should be enhanced to ensure more robust processes for dealing with requests for multiple Supplier Ids.

Cost recovery

The VASMG agreed that it would be appropriate to consider the different cost recovery options under both scenarios a) and b) (See section 1.3.1). These options include spreading the implementation and development costs across all BSC Parties (though the standard cost

recovery mechanisms), or targeting costs at the BSC Parties requiring additional Supplier Ids through specific charging. The Code specifies BSC Party charges in relation to BM Units under Annex D-3. These charges specify that for each set of Base BM Units, £100 per month for each set is applicable. The VASMG agreed that this goes some way to ensuring that costs are attributed appropriately in the case were additional Supplier Ids are required.

- **Principle of Transfer**

The VASMG considered the implications of transferring multiple Supplier Ids under a merger or trade sale situation and concluded that when a BSC Party inherits the Supplier Ids of another, the inherited Supplier Ids should all be deemed as scenario a) Supplier Ids. This provides unlimited Supplier Ids in the case of scenario a) but retains the ability for a BSC Party to have upto 2 additional Supplier Ids for its own internal business use.

6 APPLICABLE BSC OBJECTIVES

The Applicable BSC Objectives are set out in paragraph 3 of Condition C3 of the Transmission Licence, as follows:

- (a) The efficient discharge by the Transmission Company of the obligations imposed under the Transmission Licence;
- (b) The efficient, economic and co-ordinated operation by the Transmission Company of the Transmission System;
- (c) Promoting 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.
- (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.
- (e) Undertaking of work by BSCCo (as defined in the BSC) which is:
 - (i) necessary for the timely and efficient implementation of the proposed British Electricity Trading and Transmission Arrangements (BETTA); and
 - (ii) relevant to the proposed GB wide balancing and settlement code;and does not prevent BSCCo performing its other functions under the BSC in accordance with its objectives.

The VASMG, having reached a conclusion on each of the assessment issues (see section 1.3.2 and section 5), considered how the conclusions on the impacts and incentives of P106 would lead to the Proposed Modification better facilitating the achievement of each of the Applicable BSC Objectives, and the extent to which this is the case.

The VASMG noted that current business practices require provision for multiple Supplier Ids in the particular case of scenario a) and to a much lesser extent for scenario b).

The VASMG agreed that clarification of the rules relating to multiple Supplier Ids would facilitate the achievement of Applicable BSC Objective 3(d), in that the current uncertainty over what is supported by the Code did not lead to an efficient process for handling requests for multiple Supplier Ids.

In the case of scenario a), there was unanimous agreement within the VASMG that multiple Supplier Ids are the only way of implementing a trade sale or merger in a timely manner. Allowing this was therefore likely to better facilitate the achievement of BSC Objective 3(c); i.e. to improve competition in the supply and generation of electricity. Conversely, the VASMG considered prohibiting BSC Parties from having multiple Supplier Ids would prevent efficient trade sales or mergers, representing a barrier to competition in the supply and generation of electricity.

In the case of scenario b), the costs associated with additional Supplier Ids are potentially more of an issue, as the number of additional Ids could be higher than those for scenario a). However, the VASMG agreed not to include the central system enhancements and the costs therefore, of implementing the solution for P106 are minimal administrative costs (see section 1.3.2). Scenario b) would therefore allow Parties some flexibility in the use of Supplier Ids which may promote competition, BSC Objective 3(c), and by making the process for

introducing multiple Supplier Ids more robust at minimal cost would potentially improve efficiency, BSC Objective 3(d).

On balance (two thirds), responses to the request for industry consolation indicated that the costs associated with the implementation of scenarios a) and b) were not onerous and even less so as additional enhancements to the registration process were not required.

Assessment Consultation responses

The VASMG noted that, all 12 respondents agreed that P106 facilitates BSC Objectives 3 (c) and or 3 (d), thus providing additional support for the VASMG assertions.

7 IMPACT ON BSC SYSTEMS

The industry impact assessment (high level) is provided in Annex 4 of this Assessment Report.

The VASMG is proposing not to adopt the enhancements as detailed below and is therefore provided for information only.

As part of the Requirements Specification (Reference 2), the VASMG identified three requirements for the possible enhancement to the Registration System in support of P106 as follows:

- Requirement 1: Possible enhancements to the registration process in support of scenario a);
- Requirement 2: Possible enhancements to the registration process in support of scenario b);
- Requirement 3: Possible enhancements to BSC Agent software to support larger numbers of Supplier Ids.

No charges or development implications were identified in respect of P106 except by the Central Registration Agent in respect of Requirement 2 as follows:

Development and implementation of all charges to support the enhancements to the Registration Process for the Proposed Modification.

Development and implementation costs:	<u>£132,000</u>
Ongoing operational costs:	<u>0</u>
Ongoing maintenance costs:	<u>£18,400</u>
Development timescales:	<u>15 Weeks</u>

8 IMPACT ON CORE INDUSTRY DOCUMENTS AND SUPPORTING ARRANGEMENTS

No impact on core industry documents and supporting arrangements have been identified.

9 IMPACT ON ELEXON

ELEXON is required to administer the registration of BSC Parties, furthermore it is also required to administer requests for additional Supplier Ids. Ambiguity within the Code makes this process open to interpretation. Clarification in this area therefore, will simplify the administration of requests for additional Supplier Ids. ELEXON will be required to record the reasons for requests for additional Supplier Ids so as to ensure that no BSC Party may have more than 2 additional Supplier Ids for reasons other than trade sales and mergers.

The proposed solution to P106 requires ELEXON to:

- Amend BSCP15 and BSCP65 to allow for multiple Supplier Ids;
- Modify procedures to ensure that BSC Parties do not exceed the maximum number of Supplier Ids allowed under scenario b) situations; and
- Ensure the robustness BSC Agent procedures to ensure additional Supplier Ids are generated correctly.

ELEXON will require a total of 35 man-days to make the necessary changes detailed above. However, the solution to P106 will be implemented as part of a release strategy scheduled for 24 June 2003 if a decision is received prior to 23 April 2003; or 4 November 2003 if a decision is received on or after 23 April 2003 and prior to 2 September 2003.

10 IMPACT ON PARTIES AND PARTY AGENTS

The request for industry impact assessment (high level) was issued to industry on 9 December 2002 (MC00030), with responses due on 16 December 2002. The impact assessment request required an indication of the impact on Parties from implementing the solution set out in the Requirement Specification for P106 (Reference 2). The responses to this consultation are provided in full in Annex 3 and can be summarised as follow:

- (a) There were eleven responses to the request for impact assessment for P106;
- (b) Notwithstanding the CRA response regarding possible enhancements to the registration process which will not form part of the P106 solution, all twelve responses indicated no cost implications in respect of P106 and minimal implementation lead time with a maximum of 10 working days required by one respondent.

11 LEGAL ISSUES

A draft of the legal text has been agreed by the VASMG but further refinements have been identified during the quality checks that are currently being resolved by the VASMG. The text provided in this report (Annex 2) indicates those refinements. The final agreed text will be inserted for consultation during the Modification Report Phase.

12 SUMMARY OF REPRESENTATIONS

A consultation questionnaire was produced seeking BSC Party and other interested industry participants' opinions on whether or not the Proposed Modification would better facilitate achievement of the Applicable BSC Objectives and on other implementation issues discussed at the VASMG meeting of 19 December 2002. The consultation was issued on 13 January 2003, with a deadline for receipt of responses of 24 January 2003.

The questions asked during the consultation were:

- Q1.** The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code **SHOULD** allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?
- Q2.** The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD **NOT** allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?
- Q3.** If you answered 'No' to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?
- Q4.** The use of multiple Supplier Ids does not require software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?
- Q5.** Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?
- Q6.** Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.
- Q7.** Do you have any further comments on P106 that you wish to make?

12 responses, representing a total of 43 BSC Parties and 1 non-BSC Party, were received. The responses are attached as Annex 3 of this report and are summarised below.

Q	Disagree		Agree		No response indicated	
	Responses	BSC Parties (Non BSC Parties)	Responses	BSC Parties (Non BSC Parties)	Responses	BSC Parties (Non BSC Parties)
1			12	43(1)		
2	5	27	6	16	1	(1)
3	3	17	3	13	6	13(1)
4	4	19	5	22	3	2(1)
5	4	6	8	37(1)		
6	1	3	10	39(1)	1	1
7	8	32(1)	4	11		

All respondents supported the view of the VASMG in that the Code should be amended to allow multiple Supplier Ids in support of scenario a).

The majority of respondents indicated;

- That multiple Supplier Ids should be allowed in support of Trade Sales and mergers. (scenario a)) 12 responses (43 BSC Parties, 1 Non BSC Party)
- That multiple Supplier Ids should not be allowed in support of Suppliers internal business. (scenario b)) 6 response (16 BSC Parties)
- No comment on an imposed limit to the number of Supplier Ids allowable. 6 Responses (16 BSC Parties and 1 Non BSC Party)
- Agreement that charges relating to Central System software were appropriate. 5 Responses (22 BSC Parties)
- Agreement that costs should be met by BSC Parties through normal BSC cost recovery mechanisms.

10 Responses (39 BSC Parties and 1 Non BSC Party)

All responses were considered and therefore taken into account by the VASMG during the Assessment Process.

Comments made in respect of question 1.

- Allows companies involved in mergers, sales etc to simplify their trading processes
- A transfer period of 6 months should be allowed. After this, charging should be as follows: To ensure fairer cost allocation, the rule should be one id per Party i.e. if a company wishes to have 2 ids, they should pay all fixed BSC charges twice.
- It is the only practical way that an asset sale can be completed, given the rejection of previous proposals to facilitate the transfer of Party Ids.
- The requirement to allow multiple Supplier Ids in the instances of trade sales/mergers has already occurred and the modification proposes a structure to support this continuing requirement for inclusion within the Code.

- Agree with the reasons behind the change to encourage competition in the market.
- Transfer of Supplier ID is the only practicable way to deal with the transfer of supply assets. Mass re-registration of MPANs is too great a risk to the integrity and accuracy of settlement. In any case, transfers of Supplier IDs have already happened and the Code needs to reflect reality.
- British gas believe this is the most logical route into applying Multiple Party ID's. However we do recognise that there would be a downside on creation of new GSP areas but this is a rare event and so we believe this to be the correct way forward.
- As stated in 4.3
- This is based, for the avoidance of doubt, on the statement in Section 3.1 of the Assessment consultation that "[the scenario (b)] restriction will not be applied retrospectively i.e. the small number of parties who already have multiple Supplier Ids will be permitted to keep them, regardless of how they were acquired". With this in mind we agree with the VASMGs' assessment that multiple Supplier Ids under scenario (a) should be possible.
- Should reduce risks for managing mergers and/or sales.
- Experience indicates this is a pragmatic method of facilitating such transfers, avoiding considerable costs of changing participant systems.
- We already have this situation. Forcing Suppliers to migrate onto a single Supplier ID would require a large number of metering systems to be put through unnecessary COS processes and would potentially create significant risks to Supplier Volume Allocation.

Comments made in respect of question 2.

- Allowing multiple Supplier ids encourages competition, allowing smaller Supply Licence holders outsource their business to more than one service provider. This drives down costs for Suppliers which benefits end customers. If the modification allows existing multiple Supplier ids to remain, but no new ones then this creates a distortion in the market. It could also lead to several Suppliers registering new Supplier ids in anticipation of the ban.
- No - If the correct cost allocation is implemented (as per answer to Q1). There should be no reason to stop creation of new Supplier ids. Otherwise we agree.
- The only difference between this and 1) is the process by which it is implemented. In 1) it is done via a Change of BM Unit Ownership between the two Party Ids. In the case of 2) it is necessary to create a dummy Party ID before doing the CoBO. This process is invisible to the Supplier. An alternative to "banning" this option would be to place an explicit charge on Parties for doing so. This way they could choose whether it was more appropriate to meet their own needs by creating Additional BM Units or even deciding to set up a new Party with its own Supply Licence and hence new Supplier ID.
- We would agree with the conclusions of the Mod Group that to allow for the facility outlined under scenario b) would levy undue costs on other parties who may not necessarily have a requirement for this facility.
- Could encourage an unnecessary increase in supplier i.d's.
- If a Supplier wants to segment its customer base for its own purposes, it can already do so fairly easily using existing settlement reports, e.g. analysing GSP Groups separately,

HH separately from NHH or even different types of NHH customer. It is not clear why Suppliers might want to analyse different customers of the same type, e.g. domestic single rate, separately. If there is a separate branding issue, say due to a joint venture with a third party, this could be handled by creating a separate legal entity. Although this would require a new licence, separate accession to the BSC, etc. The costs of this approach would be largely one-off and might also be less risky to the Supplier's core business. The development costs of £132K don't seem to be justified by the need.

- We agree that the process as described in scenario B does not better facilitate the BSC Objectives and has the possibility with the creation of Dummy ID's of causing confusion or even distortion in the market place. If this was as identified as a possibility in the document that these could be seen on the settlement report this would cause even more manual workarounds.
- This would be artificially fettering market participants' flexibility in order to compensate for lack of flexibility in Central Systems. Market participants were not led to believe that they were accepting such a constraint in adopting NETA. Not allowing scenario (b) would reduce our options to differentiate products and would be restricting market participants' operational practices.
- This is based, for the avoidance of doubt, on the statement in Section 3.1 of the Assessment Consultation that "[the scenario (b)] restriction will not be applied retrospectively i.e. the small number of Parties who already have multiple Supplier Ids will be permitted to keep them, regardless of how they were acquired". Subject to this, we agree with the VASMGs' assessment that multiple Supplier Ids under scenario (b) should not be possible.
- It is possible that Suppliers might have some instances where they require such a set-up to offer a more cost effective product/service. However, a Supplier would need to be able to prove this was the case prior to further Supplier Ids being allowed. This would require further work on how such a system could be provided and monitored.
- Although we have no objection in principle, we do not support this option under the current charging arrangements. Although new Supplier Ids could be created by creating a new BSC Party and transferring the Supplier Ids from that Party, we believe the costs to the participant of doing this would act as a deterrent. If the costs of developing and operating such a facility could be accurately targeted on those using and presumably benefiting from it, we would have no objection.
- It is probably dangerous to be too prescriptive about this. However, we wouldn't recommend anyone to create additional Supplier Ids without a very good reason – Segmenting business by other means leaves far more flexibility for internal processes, and avoids certain other problems

Comments made in respect of question 3.

- Suppliers should be allowed as many Supplier ids as needed. VASMG concerns about costs should be addressed by looking at how those costs are recovered. Not by using the cost excuse as a reason to restrict competition.
- A company or group of companies should be allowed as many ids as party entities they are paying BSC charges for.
- N/A

- Again, this is an artificial constraint on market participants' operations.
- N/A.
- An upper limit would be sensible to ensure a Supplier does not just create numerous Ids. If parties agree with this aspect then it could be sensible to base this upper limit on details within annex 1 of report.
- As above, the issue is accurate targeting of costs. Limiting the number of supplier IDS would limit the opportunity for cost cross-subsidies.

Comments made in respect of question 4.

- It is important to maintain the integrity of settlements. Having manual processes in the system creates a risk. The view of the BSC auditor should be sought on this.
- Yes but the costs should be spread on a MWh basis across all participants.
- If it was decided to allow the option of a Party creating a 2nd or additional Supplier Ids, but charging them for this then it would seem sensible to go ahead with the software change.
- We would support the changes to provide for a more robust, automated solution to avoid the potential risks associated with a manual approach. To minimise the costs involved we would support these changes being carried out as part of a future programmed release.
- The expense seems a little high, any charges should be covered by suppliers.
- The costs seem high in comparison to the number of occasions when the transfer of Supplier ID is needed. Please also see our comment in Qu. 7 below.
- If there was a one of charge of £132,000 for these updates to the registration process British Gas believe this would be of value to the industry. We do however believe that the additional maintenance charge of £18,480 per year does appear to be high for such a small change and we would like to question the costs at the next meeting.
- Any change, which makes registration more robust and less liable to dispute, should be encouraged. If charges for the work are realistic, we support the work being done. However, the costs of the changes seem excessive for what we believe should be some minor modifications to systems.
- We note that the assessment of charges referred to in Annex 3 is provisional and subject to change. With that in mind, we believe that those changes in Annex 3 appear to be sufficient.
- We have no views on this issue.
- Given the relatively low frequency of activities giving rise to changes in Supplier ID registrations, good operational practices should be a more cost effective way of avoiding errors.
- We cannot see the justification for spending a lot of money on systems to 'automate' what is essentially an 'occasional' operation, unless this can genuinely be shown to

reduce the operational costs of a properly-managed 'manual' process. (However, in the grand scheme of things, £132 is not an enormous sum.)

Comments made in respect of question 5.

- Development costs should be spread across BSC parties. Additional On-going costs should be assigned to those using multiple Supplier ids in both scenarios.
- Yes on a per MWh basis.
- Yes in the sense that the cost will be paid for by all Parties up front but specific charges would only be recovered once new users decided to use it.
- Again cost's should be paid by suppliers and NOT the agents.
- A mechanism already exists through the monthly BM Unit charge to relate costs more closely to the number of Supplier IDs, if that should be necessary in the future.
- The concept of the BSC is to ensure that all Party members can operate in a competitive market. Over the past few years we have seen increased liberalisation of multiple companies expanding by merging, buying, trade sales and of course new entrants. We believe that this will in part promote BSC Applicable objective (c) Promoting 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; therefore we do not see the need for charging only the companies effected.
- The costs should be recovered via the 'per BMU' charge. If this is not currently sufficient, the industry should change the level of this charge and not the mechanism.
- Yes, given that any BSC party may have reason to make use of the option of multiple Supplier IDs in the future.
- A Supplier would generally be requesting such to provide an improved service that they think will improve their operational efficiency. As such they should pay these costs and not be subsidised by all other BSC Parties.
- We believe multiple Supplier Ids are used by suppliers to avoid internal costs of transferring assets in the manner envisaged by the BSC and its systems. This will only be efficient if they bear the resulting costs they impose on central systems and processes and have a choice between the options. It is not appropriate for all BSC Parties, or even for other suppliers, to bear these costs.
- Given the relatively small additional costs and the competition benefits, this seems the best approach. There is a danger of spending as much money on developing and operating another charging mechanism as would be recovered.

Comments made in respect of question 6.

- It promotes efficiency, and competition BUT only if scenario b is included. If scenario b) is disallowed it hinders competition, and creates a distortion in the market between those with multiple supplier id before than ban and future new entrants. The costs do not justify the ban.
- Yes, it clarifies current working practices.
- We believe this modification will better facilitate BSC Objective (c). As outlined in the Assessment Report, if multiple Supplier Ids were not allowed (under scenario a)) this could impose a barrier to the transfer of supply business assets from one BSC party to

another. We believe this modification will better facilitate BSC Objective (d), as the modification seeks to clarify the position on the use Supplier Ids and support a more efficient and effective process.

- The Modification proposal is a good idea, providing BSC parties don't pick up the costs
- Both (c) and (d). We would support the VASMG arguments outlined in the assessment document.
- (d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.
- (c) as described in 4.3
- This is based, for the avoidance of doubt, on the statement in Section 3.1 of the Assessment Consultation that "[the scenario (b)] restriction will not be applied retrospectively i.e. the small number of Parties who already have multiple Supplier Ids will be permitted to keep them, regardless of how they were acquired". Subject to this, we agree with the VASMGs' assessment that Objectives (d) and (c) would be better facilitated by the approval of this P106 Modification proposal.
- We agree with views in section 4.3 that objective (d) would be better facilitated.
- For the option to formalise and clarify custom and practice, we believe the BSC objectives for promoting market efficiency, competition and BSC administration efficiency are met. If associated development and operation costs were targeted properly, then options to provide more flexibility could also meet BSC objectives, but without correct cost targeting we do not believe they meet BSC objectives.
- (c) – It furthers competition in supply and generation by facilitating the natural process of restructuring as less efficient businesses succumb to more efficient ones.

Comments made in respect of question 7.

- Utility Link supports P106 if scenario b is included. If scenario b is to be dis-allowed then the modification should be rejected.
- We are generally of the view that multiple ids (especially amongst agents) causes unnecessary confusion within the industry. However, if multiple Party entities are permitted to one Company Group it is difficult to prohibit multiple ids, but it should be on the basis of one ID per BSC Party.
- The assessment document makes reference to the manual processes not being particularly robust to the introduction of new GSP Groups. Currently, there is no sign of any new GSP Groups being introduced, but in the event that such introduction is proposed, then may be a better time to review the need for such software changes as referred in Annex 2 of the document.
- We have no further comments to make at this time.
- Whatever course is adopted, we welcome changes to the BSC to clarify the distinctions between BSC Parties, Suppliers and Supplier Ids, and the BSC "assets" and responsibilities of each. We support flexibility in permutations of BSC "assets" attributable to and transferable between Parties, but not at any cost. An important issue here is the

targeting of costs. The more sophisticated options providing greatest flexibility should only be considered if those relatively few participants who are likely to benefit from them are willing to pay for them.

13 SUMMARY OF TRANSMISSION COMPANY ANALYSIS

No impact was identified on the Transmission Company from the Proposed Modification.

14 PROJECT BRIEF

The implementation timescales required for the Proposed Modification by BSC Parties and ELEXON are given below:

Name	Implementation Timescale	Cost
ELEXON	35 Business Day	35 Business Day
Total BSC Costs / Timescale	35 Business Day	35 ELEXON man days

Name	Implementation Timescale	Cost
BSC Parties	10 Working days	Minimal

ANNEX 1 –MODIFICATION PROPOSAL

Modification Proposal	MP No: 106 <i>(mandatory by BSCCo)</i>
Title of Modification Proposal <i>(mandatory by proposer):</i> Amendment to the BSC to allow Multiple Supplier Ids.	
Submission Date <i>(mandatory by proposer):</i> 25 October 2002	
Description of Proposed Modification <i>(mandatory by proposer):</i> Currently the Code and its subsidiary documents do not acknowledge the concept of multiple Supplier Ids although some Parties are currently registered with multiple Supplier Ids. Whilst the registration of multiple Supplier Ids is not precluded by the Code, it would be beneficial if the Code, in the interests of providing clear and accurate information to BSC Parties and to improve the efficiencies within the central administration, defined and referred to Supplier Ids where appropriate in the Code. It would also be beneficial if the criteria for registering multiple Supplier Ids were laid out in the Code and a clear process for registering multiple Supplier Ids was set up in Code Subsidiary Documents.	
Description of Issue or Defect that Modification Proposal Seeks to Address <i>(mandatory by proposer):</i> Whilst the Code is silent on the use of multiple Supplier Ids, this Modification is being proposed to provide more rigour to Section S of the Code by recognising their existence. There are currently Parties registered within the Central Registration System with more than one Supplier ID, however, the Code does not explicitly provide for multiple Supplier Ids nor does the registration procedure support the process of a Supplier registering more than one Supplier ID. The adoption of multiple IDs has been the most efficient method for implementing trade sales or mergers and the Supplier default process, rather than the more lengthy Change Of Supplier process. Thus, the use of multiple Supplier Ids provides the most efficient implementation of the Code arrangements in such cases and improves efficiency within the central administration service. The use of multiple Supplier Ids has also been adopted as an efficient way for Suppliers to manage their internal business requirements. For example where a Supplier wishes to separate half-hourly and non half-hourly volumes. The Modification will also address the defect in Annex S-2 of the Code, which is drafted on the basis of a single Supplier Id, especially in relation to the linkage between Suppliers and BM Units. However, the Supplier Volume Allocation Agent (SVAA) receives data from Data Aggregators aggregated to the Supplier Id level and not simply to the Supplier. An amendment to the Code is proposed in order to link the data aggregation accurately from BM Units to Supplier Ids. The issues of whether any restrictions should be placed on the circumstances Supplier Ids are registered under or the number of Supplier Ids per Party should be addressed at the Modification group.	
Impact on Code <i>(optional by proposer):</i> A thorough review of the Code will be necessary in order to assess each reference to Supplier and determine if Supplier Id should be referred to in its place. A definition of Supplier Id and multiple Supplier Ids will be necessary.	

Modification Proposal	MP No: 106 <i>(mandatory by BSCCo)</i>
Impact on Core Industry Documents <i>(optional by proposer):</i> BSCP 65, which is the current process used for the registration of new Supplier, should be updated to include the registration of multiple Supplier Ids. A more thorough impact assessment of the Core Industry Documents will be necessary.	
Impact on BSC Systems and Other Relevant Systems and Processes Used by Parties <i>(optional by proposer):</i> It would be beneficial if Logica systems were reviewed as part of the assessment for this Modification.	
Impact on other Configurable Items <i>(optional by proposer):</i>	
Justification for Proposed Modification with Reference to Applicable BSC Objectives <i>(mandatory by proposer):</i> This Modification promotes efficiency in the implementation and administration of the Code arrangements as the adoption of multiple IDs has been the most efficient method of central administration when implementing trade sales or mergers and the Supplier default process. This Modification, by setting out the criteria for the registration of Multiple Supplier Ids, will add rigour to and improves the efficiency of Code arrangements. This is consistent with BSC Objective D.	
Details of Proposer: Name: Rob Cullender Organisation: British Gas Trading Telephone Number: 020 8734 9269 Email Address: rob.cullender@centrica.co.uk	
Details of Proposer's Representative: Name: Andrew Latham Organisation: British Gas Trading Telephone Number: 020 8734 9242 Email Address: andrew.latham@centrica.co.uk	
Details of Representative's Alternate: Name: Danielle Lane Organisation: Centrica Telephone Number: 01753 758156 Email Address: danielle.lane@centrica.co.uk	
Attachments: NO If Yes, Title and No. of Pages of Each Attachment:	

ANNEX 2 PROPOSED TEXT TO MODIFY THE BSC

A draft of the legal text has been agreed by the VASMG but further refinements have been identified during the quality checks that are currently being resolved by the VASMG. The text below indicates those refinements. The final agreed text will be inserted for consultation during the Modification Report Phase.

Draft 1.5: 7 February 2003

MODIFICATION PROPOSAL P106 AMENDMENT TO THE BSC TO ALLOW MULTIPLE SUPPLIER IDS

SECTION D

Amend paragraph 3.1(g) of Annex D-3 to read as follows:

- (f) a Base BM Unit Monthly Charge, for a set of Base BM Units (in aggregate) automatically allocated (in accordance with Section K3.3.1(a)) to a Supplier (in respect of each of its Supplier IDs), and held by a Supplier for all or any part of that month, at an initial charge rate of £100 per month;

SECTION J

Add new paragraph 5.1.4 to read as follows:

5.1.4 This paragraph 5 shall apply on a Supplier ID basis and its provisions shall be construed accordingly.

SECTION K

Add new paragraph K2.5.10 to read as follows:

2.5.10 This paragraph 2.5 shall apply on a Supplier ID basis (and a Supplier may be party to a Shared SVA Meter Arrangement in the capacities of its Supplier IDs) and its provisions shall be construed accordingly.

Add new paragraph 3.3.11 to read as follows:

- 3.3.11 This paragraph 3.3 shall apply on a Supplier ID basis and its provisions shall be construed accordingly, and:
- (a) a Supplier will be registered under paragraph 3.3.1 in respect of each of its Supplier IDs as holding one BM Unit for each GSP Group (and accordingly will hold a set of Base BM Units for each of its Supplier IDs); and
- (b) a Supplier:
- (i) holding one Supplier ID may not cancel or withdraw from the registration of a Base BM Unit relating to that Supplier ID while the Supplier remains a Supplier;
- (ii) holding more than one Supplier ID may cancel and withdraw from the registration of the set of Base BM Units relating to an additional Supplier ID:
- (A) provided the Supplier has no Registered SVA Metering Systems with the additional Supplier ID in any GSP Group;
- (B) following which cancellation and withdrawal the Supplier shall no longer hold, for the purposes of the Code, the additional Supplier ID.

SECTION S

Add new paragraphs 1.3, 1.4, 1.5, 1.6, 1.7 and 1.8 to read as follows:

1.3 Supplier ID

- 1.3.1 A Supplier ID is a unique reference by which a Supplier is identified in SMRS and for the purposes of Supplier Volume Allocation.
- 1.3.2 A Supplier may hold more than one Supplier ID subject to and in accordance with the further provisions of this paragraph 1.3.
- 1.3.3 Where a Supplier holds more than one Supplier ID:
- (a) the provisions of the Code referred to in paragraph 1.3.4, and any other provision of the Code which is expressed to apply on a Supplier ID basis, shall apply separately in respect of the Supplier in the capacity of each of its Supplier IDs so far as capable of so applying;
 - (b) except as otherwise expressly provided, all other provisions of the Code apply in respect of the Supplier without regard to its Supplier IDs, and references to a Supplier (including the Supplier as Registrant of a Metering System) and Supplier 'Z' in the Code shall be construed accordingly.
- 1.3.4 The provisions of the Code referred to in paragraph 1.3.3(a) are paragraphs 2, 6 and 7 (subject to the provisions of Annex S-2) and Annex S-2.
- 1.3.5 A Supplier may hold:
- (a) no more than three Supplier IDs; and
 - (b) additional Supplier ID(s) (to those held pursuant to paragraph (a)) provided the additional Supplier ID(s) is held pursuant to a transfer in accordance with the further provisions of this paragraph 1.
- 1.4 Transfer of Supplier ID**
- 1.4.1 For the purposes of the Code:
- (a) "ID Transferee" means the Trading Party identified as the transferee in a notice which is given and takes effect pursuant to an in accordance with this paragraph 1.4;
 - (b) "ID Transferor" means the Supplier who gives the notice referred to in paragraph 1.4.3;
 - (c) "Relevant BM Units" are in relation to a ID Transferor, the BM Unit(s) to which the relevant Metering Systems are associated;
 - (d) "relevant Metering Systems" means Metering Systems registered in SMRS and identified by the relevant Supplier ID (and associated with Relevant BM Units); and
 - (e) "relevant Supplier ID" means the Supplier ID identified in a notice given pursuant to paragraph 1.4.2.
- 1.4.2 A Supplier may give notice to BSCCo that it intends to transfer its interests in respect of the provision of electrical power to Customers measured by Metering Systems identified in SMRS with a Supplier ID to another Trading Party (such transfer to be effected by a transfer of the Supplier ID and referred to as a "relevant ID transfer").
- 1.4.3 A notice given pursuant to paragraph 1.4.2 shall:
- (a) be in writing;
 - (b) identify:
 - (i) the Supplier ID to which the relevant ID transfer relates;
 - (ii) the transferee, being the Trading Party to which the relevant ID transfer is to be made;
 - (iii) subject to paragraph 1.4.4, the Metering Systems registered in SMRS with the relevant Supplier ID;
 - (iv) subject to paragraph 1.4.5, the date with effect from which the relevant ID transfer is to be made;
 - (v) subject to paragraph 1.4.7, the time with effect from which the relevant ID transfer is to be made; and
 - (c) be signed by or behalf of both the Supplier issuing such notice and the Trading Party identified in such notice as the transferee.
- 1.4.4 A relevant ID transfer may not be made in respect of some but not all of the relevant Metering Systems.
- 1.4.5 The relevant ID transfer shall take effect for the purposes of the Code from the time and date specified in the relevant notice given pursuant to paragraph 1.4.2 and in

accordance with paragraphs 1.4.6 and 1.4.7 (such date being the **ID Transfer Date**)

1.4.6 For the purposes of the Code the date with effect from which a relevant ID transfer is to take effect may not be earlier than:

(a) where the relevant notice is received by BSCCo before 12:00 hours on a day, the day following;

(b) where the relevant notice is received by BSCCo after 12:00 hours on a day, the second day following

the day on which the relevant notice is received.

1.4.7 The time with effect from which a relevant ID transfer is to take effect, for the purposes of the Code, is 00:00 hours on the ID Transfer Date.

1.4.8 Without prejudice to the provisions of paragraph 1.4.4, 1.4.5, 1.4.6 and 1.4.7 as they apply for the purposes of the Code, those provisions shall not effect or limit the terms and conditions upon which a relevant ID transfer is to be made as between the parties to the relevant ID transfer.

1.4.9 BSCCo shall send a copy of any notice given pursuant to paragraph 1.4.2 to the Authority, each Party and the CRA.

1.5 **Effect of transfer of Supplier ID**

1.5.1 With effect from the time and date that a relevant ID transfer is to take effect:

(a) the ID Transferee shall (notwithstanding the provisions of Section K but subject to the further provisions of this paragraph 1) be:

(i) responsible for all Exports and Imports of the Plant and Apparatus comprised in Relevant BM Units (and measured by the relevant Metering Systems);

(ii) the Registrant of the relevant Metering Systems (and shall be treated, for the purposes of the Code, as having appointed and registered the Party Agents of the ID Transferor in respect of the relevant Metering Systems); and

(iii) subject to the obligations and liabilities and entitled to the rights and benefits (including in respect of Trading Charges and BSCCo Charges) related to or connected with the relevant Metering Systems and the Exports and Imports of that Plant and Apparatus (and measured by the relevant Metering Systems);

(b) the ID Transferor shall (notwithstanding the provisions of Section K but subject to the further provisions of this paragraph 1) cease to be:

(i) responsible for all Exports and Imports of the Plant and Apparatus comprised in Relevant BM Units (and measured by relevant Metering Systems);

(ii) the Registrant of the relevant Metering Systems; and

(iii) subject to the obligations and liabilities and entitled to the rights and benefits (including in respect of Trading Charges and BSCCo Charges) related to or connected with the relevant Metering Systems and the Exports and Imports of that Plant and Apparatus (and measured by the relevant Metering Systems).

in each case, in respect of each Settlement Period on and after such time, and the provisions of the Code shall be construed accordingly.

1.5.2 The transfer of responsibility in respect of Exports and Imports of Plant and Apparatus comprised in Relevant BM Units from the ID Transferor to the ID Transferee pursuant to paragraph 1.5.1 shall be without prejudice and shall not affect:

(a) the rights and liabilities of the ID Transferor under the Code relating to or connected with Relevant BM Units or the relevant Metering Systems, including in respect of Trading Charges (including Reconciliation Charges and Ad-hoc Trading Charges) and BSCCo Charges, accrued or accruing in respect of the period prior to the ID Transfer Date;

(b) the rights and liabilities of the ID Transferor under the Code relating to or connected with any other BM Units or Metering Systems, including in respect

of Trading Charges (including Reconciliation Charges and Ad-hoc Trading Charges) and BSCCo Charges, accrued or accruing in respect of the period on, before or after the ID Transfer Date.

1.5.3 For the avoidance of doubt, nothing in this paragraph 1.5 shall affect:

- (a) any Energy Contract Volume Notifications for which the ID Transferor is a Contract Trading Party;
- (b) any Metered Volume Reallocation Notifications for which the ID Transferor is the Subsidiary Party.

whether submitted or submitted in respect of a period on, before or after the ID Transfer Date, and any such Energy Contract Volume Notifications or Metered Volume Reallocation Notifications validly submitted in accordance with Section P shall apply and be taken into account in Settlement, subject to and in accordance with the other provisions of the Code, for the purposes of determining any liability or entitlement of the ID Transferor in respect of Trading Charges.

1.5.4 For the avoidance of doubt, the deemed appointment and registration of Party Agents pursuant to paragraph 1.5.1(a)(ii) applies for the purposes of the Code only and shall not create, affect or change any relationship between the ID Transferor or the ID Transferee and those (or any other) Party Agents.

1.5.5 The provisions of this paragraph 1.5 shall apply for the purposes of Settlement under the Code notwithstanding any other provisions in any Core Industry Document.

1.6 Establishment of BM Units following transfer of Supplier ID

1.6.1 The provisions of this paragraph 1.6 apply in relation to a Relevant BM Unit where pursuant to a relevant ID transfer the Supplier ID for the relevant Metering Systems is transferred to a Trading Party.

1.6.2 Where this paragraph 1.6 applies, the CRA shall establish a BM Unit (a "**Transferee BM Unit**") for which the ID Transferee is the Lead Party corresponding to each Relevant BM Unit as soon as reasonably practicable after the ID Transfer Date.

1.6.3 Unless the context otherwise requires, references to BM Units in the Code shall include Transferee BM Units.

1.6.4 The establishment of Transferee BM Unit(s) pursuant to paragraph 1.6.2 shall take effect on and from the ID Transfer Date.

1.6.5 Each Transferee BM Unit established pursuant to paragraph 1.6.2 shall be configured in the same way and have the same attributes as the Relevant BM Unit of the ID Transferor to which it corresponds, including:

- (a) the Generation Capacity and the Demand Capacity;
- (b) the Credit Assessment Load Factor;
- (c) (where applicable) the GSP Group in which that BM Unit is situated;
- (d) (where applicable) the status of that BM Unit as a Base BM Unit or an Additional BM Unit;
- (e) the SVA Metering Systems associated with that BM Unit;
- (f) the P/C Status;

- (g) the Trading Unit to which that BM Unit belongs;
- (h) the Joint BM Unit Data (if any); and
- (i) whether that BM Unit is considered a relevant BM Unit for the purposes of Section Q.

but without prejudice to the ID Transferee's rights and obligations to revise such configuration and attributes, or otherwise to the revision of such configuration and attributes, from time to time pursuant to any other provision of the Code.

1.6.6 Where a ID Transferee is transferred responsibility for Plant or Apparatus which is subject to a Shared SVA Meter Arrangement, then notwithstanding any provisions to the contrary in Section K2.5:

- (a) the Allocation Schedule prevailing immediately prior to the ID Transfer Date shall continue to apply and to bind the ID Transferee and the other Supplier(s) (not being the ID Transferor) to the Shared SVA Meter Arrangement; and
- (b) the ID Transferee shall assume the status previously held by the ID Transferor as the Primary Supplier or a Secondary Supplier (as the case may be).

1.7 Effect of establishment of Transferee BM Units

1.7.1 The establishment of a Transferee BM Unit pursuant to paragraph 1.6 shall be treated, for the purposes of the Code, as if:

- (a) that new BM Unit had been registered (comprising the same Metering Systems as those comprised in the corresponding BM Unit of the ID Transferor) by the ID Transferee with effect from the ID Transfer Date; and
- (b) the registration of the corresponding BM Unit of the ID Transferor had been cancelled by the ID Transferor with effect from such date.

1.7.2 Without prejudice to the generality of paragraph 1.7.1 and subject to the further provisions of this paragraph 1.7, in respect of each Settlement Period on and after the ID Transfer Date:

- (a) the BM Unit Metered Volumes of the Relevant BM Unit to which a Transferee BM Unit corresponds shall be allocated to the Transferee BM Unit; and
- (b) such BM Unit Metered Volumes shall not be allocated or treated as allocated to the Relevant BM Unit to which such Transferee BM Unit corresponds,

for the purposes of Section T.

1.7.3 Notwithstanding paragraph 1.7.1, any Metered Volume Reallocation Notification and any data item submitted or purportedly submitted by or on behalf of the ID Transferor (as Lead Party) relating to Relevant BM Units in respect of the period on or after the ID Transfer Date (whether submitted before, on or after the date the registration of the Relevant BM Unit is treated as cancelled pursuant to paragraph 1.7.1) shall, by virtue of paragraph 1.7.1, be void and of no effect and shall not be applied to the Transferee BM Units to which they correspond.

1.8 Data relating to Relevant BM Units

- 1.8.1 For the purposes of any provisions in the Code relating to the ownership and use of data (including Section L5), the rights of the ID Transferee in respect thereof, as they relate to the Relevant BM Units for which a Trading Party becomes responsible, shall to the extent such rights are not assigned to the ID Transferee by reason of the change of Registrant and with effect from the ID Transfer Date:
- (a) automatically be assigned by the ID Transferor to the ID Transferee from and in respect of the period on and after the ID Transfer Date; or
 - (b) to the extent that it is not possible legally to assign such rights as provided in paragraph (a), the ID Transferor shall make such data available to the ID Transferee at all times on terms such that the ID Transferee is free to use such data as if the data had been so assigned to it.
- 1.8.2 The ID Transferor shall take all reasonable steps to co-operate with the ID Transferee to give effect to the transfer of responsibility contemplated by paragraphs 1.4, 1.5, 1.6, 1.7 and this paragraph 1.8 and to enable the ID Transferee to comply with its obligations thereunder.
- 1.8.3 [Without prejudice to the generality of paragraph 1.8.3, the ID Transferor shall provide the ID Transferee with such records, data and information and otherwise take such steps as if, in relation to the relevant Metering Systems a change of Registrant (from the ID Transferor to the ID Transferee) had occurred on the ID Transfer Date.]
- 1.8.4 The ID Transferee shall have a right of access to any records, data and information referred to in this paragraph 1.8 to the extent required by the ID Transferee for the purposes of the Code in relation to any period prior to the ID Transfer Date.

SECTION X

The following new definition shall be inserted alphabetically in Annex X-1:

"ID Transfer Date"	has the meaning given to that term in paragraph 1.3.1 of Section S
"ID Transfer Date"	has the meaning given to that term in paragraph 1.4.4 of Section S
"ID Transferee"	has the meaning given to that term in paragraph 1.4.1 of Section S
"ID Transferor"	has the meaning given to that term in paragraph 1.4.1 of Section S
"Relevant BM Units"	has the meaning given to that term in paragraph 1.4.1 of Section S
"relevant ID transfer"	has the meaning given to that term in paragraph 1.4.2 of Section S
"relevant Metering Systems "	has the meaning given to that term in paragraph 1.4.1 of Section S
"relevant Supplier ID "	has the meaning given to that term in paragraph 1.4.1 of Section S
"Supplier ID"	has the meaning given to that term in paragraph 1.3.1 of Section S
"Transferee BM Unit "	has the meaning given to that term in paragraph 1.6.2 of Section S

Add a new paragraph 3.1.2 to read as follows:

3.1.2 This paragraph 3 and Tables X-4, X-5, X-6 and X-7 shall apply on a Supplier ID basis and shall be construed accordingly.

ANNEX 3 – INDUSTRY ASSESSMENT CONSULTATION

Responses from P106 Assessment Consultation

Consultation issued 14 January 2003

Representations were received from the following parties:

No	Company	File Number	No. BSC Parties Represented	No. Non-Parties Represented
1.	Utility Link	P106_ASS_001	1	
2.	SmartestEnergy	P106_ASS_002	1	
3.	TXU Europe	P106_ASS_003		1
4.	NGC	P106_ASS_004	1	
5.	Aquila Networks	P106_ASS_005	1	
6.	Scottish Power	P106_ASS_006	6	
7.	British Gas Trading	P106_ASS_007	1	
8.	Powergen	P106_ASS_008	15	
9.	Scottish and Southern	P106_ASS_009	4	
10.	SEEBOARD	P106_ASS_010	1	
11.	British Energy (late response)	P106_ASS_011	3	
12.	Innogy (late response)	P106_ASS_012	9	

P106_ASS_001 – Utility Link

Respondent:	<i>Chris Welby</i>
BSC Party	Yes
No. of Parties Represented	1
Responding on Behalf of	<i>Utility Link Ltd</i>
Role of Respondent	<i>Supplier</i>

Q	Question	Response	Rationale
1.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?	Yes	Allows companies involved in mergers, sales etc to simplify their trading processes
2.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD NOT allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?	No	Allowing multiple Supplier ids encourages competition, allowing smaller Supply Licence holders outsource their business to more than one service provider. This drives down costs for Suppliers which benefits end customers. If the modification allows existing multiple Supplier ids to remain, but no new ones then this creates a distortion in the market. It could also lead to several Suppliers registering new Supplier ids in anticipation of the ban.
3.	If you answered 'No' to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?	No	Suppliers should be allowed as many Supplier ids as needed. VASMG concerns about costs should be addressed by looking at how those costs are recovered. Not by using the cost excuse as a reason to restrict competition.

Q	Question	Response	Rationale
4.	The use of multiple Supplier Ids does not <u>require</u> software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?	Yes	It is important to maintain the integrity of settlements. Having manual processes in the system creates a risk. The view of the BSC auditor should be sought on this.
5.	Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?	Yes / No	Development costs should be spread across BSC parties. Additional On-going costs should be assigned to those using multiple Supplier ids in both scenarios.
6.	Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.	Yes	It promotes efficiency, and competition BUT only if scenario b is included. If scenario b is disallowed it hinders competition, and creates a distortion in the market between those with multiple supplier id before than ban and future new entrants. The costs do not justify the ban.
7.	Do you have any further comments on P106 that you wish to make?	Yes / No	Utility Link supports P106 if scenario b is included. If scenario b is to be disallowed then the modification should be rejected.

P106_ASS_002 – SmartestEnergy

Respondent:	<i>Colin Prestwich</i>
BSC Party	Yes
No. of Parties Represented	1
Responding on Behalf of	<i>SmartestEnergy Limited</i>
Role of Respondent	<i>Consolidator</i>

Q	Question	Response	Rationale
1.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?	Yes	A transfer period of 6 months should be allowed. After this, charging should be as follows: To ensure fairer cost allocation, the rule should be one id per Party i.e. if a company wishes to have 2 ids, they should pay all fixed BSC charges twice.
2.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD NOT allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?	No	No - If the correct cost allocation is implemented (as per answer to Q1). There should be no reason to stop creation of new Supplier ids. Otherwise we agree.
3.	If you answered 'No' to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?	Yes / No	A company or group of companies should be allowed as many ids as party entities they are paying BSC charges for.

Q	Question	Response	Rationale
4.	<p>The use of multiple Supplier Ids does not <u>require</u> software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?</p>	Yes	Yes but the costs should be spread on a MWh basis across all participants.
5.	<p>Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?</p>	Yes	Yes on a per MWh basis.
6.	<p>Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.</p>	Yes	
7.	<p>Do you have any further comments on P106 that you wish to make?</p>	Yes	<p>We are generally of the view that multiple ids (especially amongst agents) causes unnecessary confusion within the industry. However, if multiple Party entities are permitted to one Company Group it is difficult to prohibit multiple ids, but it should be on the basis of one ID per BSC Party.</p>

P106_ASS_003 – TXU Europe

Respondent:	Philip Russell
BSC Party	No
No. of Parties Represented	
Responding on Behalf of	
Role of Respondent	

Q	Question	Response	Rationale
1.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?	Yes	It is the only practical way that an asset sale can be completed, given the rejection of previous proposals to facilitate the transfer of Party Ids.
2.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD NOT allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?	Possibly	The only difference between this and 1) is the process by which it is implemented. In 1) it is done via a Change of BM Unit Ownership between the two Party Ids. In the case of 2) it is necessary to create a dummy Party ID before doing the CoBO. This process is invisible to the Supplier. An alternative to “banning” this option would be to place an explicit charge on Parties for doing so. This way they could choose whether it was more appropriate to meet their own needs by creating Additional BM Units or even deciding to set up a new Party with its own Supply Licence and hence new Supplier ID.
3.	If you answered ‘No’ to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?	Yes / No	

Q	Question	Response	Rationale
4.	<p>The use of multiple Supplier Ids does not <u>require</u> software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?</p>	Possibly	<p>If it was decided to allow the option of a Party creating a 2nd or additional Supplier Ids, but charging them for this then it would seem sensible to go ahead with the software change.</p>
5.	<p>Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?</p>	Yes	<p>Yes in the sense that the cost will be paid for by all Parties up front but specific charges would only be recovered once new users decided to use it.</p>
6.	<p>Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.</p>	Yes	<p>Yes, it clarifies current working practices.</p>
7.	<p>Do you have any further comments on P106 that you wish to make?</p>	No	

P106_ASS_004 – NGC

Respondent:	<i>Name National Grid</i>
BSC Party	Yes
No. of Parties Represented	<i>One</i>
Responding on Behalf of	<i>Please list all Parties responding on behalf of (including the respondent company if relevant). National Grid</i>
Role of Respondent	<i>(Supplier/Generator/ Trader / Consolidator / etc – please state) Transmission Company</i>

Q	Question	Response	Rationale
1.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?	Yes	The requirement to allow multiple Supplier Ids in the instances of trade sales/mergers has already occurred and the modification proposes a structure to support this continuing requirement for inclusion within the Code.
2.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD NOT allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?	Yes	We would agree with the conclusions of the Mod Group that to allow for the facility outlined under scenario b) would levy undue costs on other parties who may not necessarily have a requirement for this facility.
3.	If you answered 'No' to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?	N/A	

Q	Question	Response	Rationale
4.	<p>The use of multiple Supplier Ids does not <u>require</u> software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?</p>	Yes	<p>We would support the changes to provide for a more robust, automated solution to avoid the potential risks associated with a manual approach. To minimise the costs involved we would support these changes being carried out as part of a future programmed release.</p>
5.	<p>Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?</p>	Yes	
6.	<p>Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.</p>	Yes	<p>We believe this modification will better facilitate BSC Objective (c). As outlined in the Assessment Report, if multiple Supplier Ids were not allowed (under scenario a) this could impose a barrier to the transfer of supply business assets from one BSC party to another.</p> <p>We believe this modification will better facilitate BSC Objective (d), as the modification seeks to clarify the position on the use Supplier Ids and support a more efficient and effective process.</p>
7.	<p>Do you have any further comments on P106 that you wish to make?</p>	No	

P106_ASS_005 – Aquila Networks

Respondent:	Name <i>Aquila Networks Plc</i>
BSC Party	Yes/No ³
No. of Parties Represented	
Responding on Behalf of	<i>Please list all Parties responding on behalf of (including the respondent company if relevant).</i>
Role of Respondent	<i>(Supplier/Generator/ Trader / Consolidator / etc – please state)</i>

Q	Question	Response	Rationale
1.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?	<u>Yes</u> / No	Agree with the reasons behind the change to encourage competition in the market.
2.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD NOT allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?	<u>Yes</u> / No	Could encourage an unnecessary increase in supplier i.d.'s.
3.	If you answered 'No' to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?	Yes / No	

³ Delete as appropriate – please do not use strikethrough, this is to make it easier to analyse the responses

Q	Question	Response	Rationale
4.	The use of multiple Supplier Ids does not <u>require</u> software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?	Yes / <u>No</u>	The expense seems a little high, any charges should be covered by suppliers.
5.	Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?	Yes / No	Again cost's should be paid by suppliers and NOT the agents.
6.	Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.	Yes / No	The Modification proposal is a good idea, providing BSC parties don't pick up the costs
7.	Do you have any further comments on P106 that you wish to make?	Yes / No	NO

P106_ASS_006 – Scottish Power

Respondent:	<i>Man Kwong Liu</i>
BSC Party	Yes
No. of Parties Represented	6
Responding on Behalf of	Please list all Parties responding on behalf of (including the respondent company if relevant). <i>Scottish Power UK plc; ScottishPower Energy Trading Ltd.; Scottish Power Generation plc; ScottishPower Energy Retail Ltd.; SP Transmission plc; SP Manweb plc</i>
Role of Respondent	<i>(Supplier/Generator/ Trader / Consolidator / etc – please state) All</i>

Q	Question	Response	Rationale
1.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?	Yes	Transfer of Supplier ID is the only practicable way to deal with the transfer of supply assets. Mass re-registration of MPANs is too great a risk to the integrity and accuracy of settlement. In any case, transfers of Supplier IDs have already happened and the Code needs to reflect reality.
2.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD NOT allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?	Yes	<p>If a Supplier wants to segment its customer base for its own purposes, it can already do so fairly easily using existing settlement reports, e.g. analysing GSP Groups separately, HH separately from NHH or even different types of NHH customer. It is not clear why Suppliers might want to analyse different customers of the same type, e.g. domestic single rate, separately.</p> <p>If there is a separate branding issue, say due to a joint venture with a third party, this could be handled by creating a separate legal entity. Although this would require a new licence, separate accession to the BSC, etc. The costs of this approach would be largely one-off and might also be less risky to the Supplier's core business. The development costs of £132K don't seem to be justified by the need.</p>

Q	Question	Response	Rationale
3.	If you answered 'No' to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?	N/A	
4.	The use of multiple Supplier Ids does not <u>require</u> software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?	No	The costs seem high in comparison to the number of occasions when the transfer of Supplier ID is needed. Please also see our comment in Qu. 7 below.
5.	Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?	Yes	A mechanism already exists through the monthly BM Unit charge to relate costs more closely to the number of Supplier IDs, if that should be necessary in the future.
6.	Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.	Yes	Both © and (d). We would support the VASMG arguments outlined in the assessment document.
7.	Do you have any further comments on P106 that you wish to make?	Yes	The assessment document makes reference to the manual processes not being particularly robust to the introduction of new GSP Groups. Currently, there is no sign of any new GSP Groups being introduced, but in the event that such introduction is proposed, then may be a better time to review the need for such software changes as referred in Annex 2 of the document.

P109_ASS_007 – British Gas Trading

Respondent:	Andrew Latham
BSC Party	Yes
No. of Parties Represented	1
Responding on Behalf of	British Gas Trading Limited
Role of Respondent	Supplier

Q	Question	Response	Rationale
1.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?	Yes	British gas believe this is the most logical route into applying Multiple Party ID's. However we do recognise that there would be a downside on creation of new GSP areas but this is a rare event and so we believe this to be the correct way forward.
2.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD NOT allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?	Yes	We agree that the process as described in scenario B does not better facilitate the BSC Objectives and has the possibility with the creation of Dummy ID's of causing confusion or even distortion in the market place. If this was as identified as a possibility in the document that these could be seen on the settlement report this would cause even more manual workarounds.
3.	If you answered 'No' to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?	Yes / No	N/A

Q	Question	Response	Rationale
4.	<p>The use of multiple Supplier Ids does not <u>require</u> software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?</p>	Yes & No	<p>If there was a one of charge of £132,000 for these updates to the registration process British Gas believe this would be of value to the industry. We do however believe that the additional maintenance charge of £18,480 per year does appear to be high for such a small change and we would like to question the costs at the next meeting.</p>
5.	<p>Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?</p>	Yes	<p>The concept of the BSC is to ensure that all Party members can operate in a competitive market. Over the past few years we have seen increased liberalisation of multiple companies expanding by merging, buying, trade sales and of course new entrants. We believe that this will in part promote BSC Applicable objective (c) Promoting 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; therefore we do not see the need for charging only the companies effected.</p>
6.	<p>Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.</p>	Yes	<p>(d) Promoting efficiency in the implementation and administration of the balancing and settlement arrangements.</p>
7.	<p>Do you have any further comments on P106 that you wish to make?</p>	No	No

P109_ASS_008 – Powergen

Respondent:	Afroze Miah
BSC Party	Yes
No. of Parties Represented	15
Responding on Behalf of	Powergen UK plc, Powergen Retail Limited, Diamond Power Generation Limited, Cottam Development Centre Limited, TXU Europe Drakelow Limited, TXU Europe Ironbridge Limited, TXU Europe High Marnham Limited, Midlands Gas Limited, Western Gas Limited, TXU Europe (AHG) Limited, TXU Europe (AH Online) Limited, Citigen (London) Limited, Severn Trent Energy Limited (known as TXU Europe (AHST) Limited), TXU Europe (AHGD) Limited and Ownlabel Energy Limited
Role of Respondent	Supplier

Q	Question	Response	Rationale
1.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?	Yes	As stated in 4.3
2.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD NOT allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?	No	This would be artificially fettering market participants' flexibility in order to compensate for lack of flexibility in Central Systems. Market participants were not led to believe that they were accepting such a constraint in adopting NETA. Not allowing scenario (b) would reduce our options to differentiate products and would be restricting market participants' operational practices.

Q	Question	Response	Rationale
3.	If you answered 'No' to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?	No	Again, this is an artificial constraint on market participants' operations.
4.	The use of multiple Supplier Ids does not <u>require</u> software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?	Yes	Any change, which makes registration more robust and less liable to dispute, should be encouraged. If charges for the work are realistic, we support the work being done. However, the costs of the changes seem excessive for what we believe should be some minor modifications to systems.
5.	Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?	Yes	The costs should be recovered via the 'per BMU' charge. If this is not currently sufficient, the industry should change the level of this charge and not the mechanism.
6.	Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.	Yes	(c) as described in 4.3
7.	Do you have any further comments on P106 that you wish to make?	No	

P106_ASS_009 – Scottish and Southern

Respondent:	Garth Graham
BSC Party	Yes
No. of Parties Represented	4
Responding on Behalf of	Scottish and Southern Energy, Southern Electric, Keadby Generation Ltd. and SSE Energy Supply Ltd.
Role of Respondent	

Q	Question	Response	Rationale
1.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?	Yes.	This is based, for the avoidance of doubt, on the statement in Section 3.1 of the Assessment Consultation that "[the scenario (b)] restriction will not be applied retrospectively i.e. the small number of Parties who already have multiple Supplier Ids will be permitted to keep them, regardless of how they were acquired". With this in mind we agree with the VASMGs' assessment that multiple Supplier Ids under scenario (a) should be possible.
2.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD NOT allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?	Yes.	This is based, for the avoidance of doubt, on the statement in Section 3.1 of the Assessment Consultation that "[the scenario (b)] restriction will not be applied retrospectively i.e. the small number of Parties who already have multiple Supplier Ids will be permitted to keep them, regardless of how they were acquired". Subject to this, we agree with the VASMGs' assessment that multiple Supplier Ids under scenario (b) should not be possible.
3.	If you answered 'No' to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?	N/A.	

Q	Question	Response	Rationale
4.	<p>The use of multiple Supplier Ids does not <u>require</u> software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?</p>	Yes.	<p>We note that the assessment of charges referred to in Annex 3 is provisional and subject to change. With that in mind, we believe that those changes in Annex 3 appear to be sufficient.</p>
5.	<p>Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?</p>	Yes.	<p>given that any BSC party may have reason to make use of the option of multiple Supplier IDs in the future.</p>
6.	<p>Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.</p>	Yes.	<p>This is based, for the avoidance of doubt, on the statement in Section 3.1 of the Assessment Consultation that "[the scenario (b)] restriction will not be applied retrospectively i.e. the small number of Parties who already have multiple Supplier Ids will be permitted to keep them, regardless of how they were acquired". Subject to this, we agree with the VASMGs' assessment that Objectives (d) and (c) would be better facilitated by the approval of this P106 Modification proposal.</p>
7.	<p>Do you have any further comments on P106 that you wish to make?</p>	No.	<p>We have no further comments to make at this time.</p>

P106_ASS_010 – SEEBOARD

Respondent:	Dave Morton
BSC Party	Yes
No. of Parties Represented	1
Responding on Behalf of	SEEBOARD Energy Limited
Role of Respondent	Supplier

Q	Question	Response	Rationale
1.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?	Yes	Should reduce risks for managing mergers and/or sales.
2.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD NOT allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?	No	It is possible that Suppliers might have some instances where they require such a set-up to offer a more cost effective product/service. However, a Supplier would need to be able to prove this was the case prior to further Supplier Ids being allowed. This would require further work on how such a system could be provided and monitored.
3.	If you answered 'No' to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?	Yes	An upper limit would be sensible to ensure a Supplier does not just create numerous Ids. If parties agree with this aspect then it could be sensible to base this upper limit on details within annex 1 of report.

Q	Question	Response	Rationale
4.	The use of multiple Supplier Ids does not <u>require</u> software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?	Yes / No	We have no views on this issue.
5.	Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?	No	A Supplier would generally be requesting such to provide an improved service that they think will improve their operational efficiency. As such they should pay these costs and not be subsidised by all other BSC Parties.
6.	Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.	Yes	We agree with views in section 4.3 that objective (d) would be better facilitated.
7.	Do you have any further comments on P106 that you wish to make?	No	

P106_ASS_011 – British Energy

Respondent:	<i>Name: Martin Mate</i>
BSC Party	Yes
No. of Parties Represented	3
Responding on Behalf of	<i>Please list all Parties responding on behalf of (including the respondent company if relevant); British Energy Power & Energy Trading Ltd, British Energy Generation Ltd, Eggborough Power Ltd</i>
Role of Respondent	<i>Supplier & Generator & Trader</i>

Q	Question	Response	Rationale
1.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?	Yes	Experience indicates this is a pragmatic method of facilitating such transfers, avoiding considerable costs of changing participant systems.
2.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD NOT allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?	Yes	Although we have no objection in principle, we do not support this option under the current charging arrangements. Although new Supplier Ids could be created by creating a new BSC Party and transferring the Supplier Ids from that Party, we believe the costs to the participant of doing this would act as a deterrent. If the costs of developing and operating such a facility could be accurately targeted on those using and presumably benefiting from it, we would have no objection.
3.	If you answered 'No' to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?	Yes	As above, the issue is accurate targeting of costs. Limiting the number of supplier IDS would limit the opportunity for cost cross-subsidies.

Q	Question	Response	Rationale
4.	<p>The use of multiple Supplier Ids does not <u>require</u> software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?</p>	No	<p>Given the relatively low frequency of activities giving rise to changes in Supplier ID registrations, good operational practices should be a more cost effective way of avoiding errors.</p>
5.	<p>Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?</p>	No	<p>We believe multiple Supplier Ids are used by suppliers to avoid internal costs of transferring assets in the manner envisaged by the BSC and its systems. This will only be efficient if they bear the resulting costs they impose on central systems and processes and have a choice between the options. It is not appropriate for all BSC Parties, or even for other suppliers, to bear these costs.</p>
6.	<p>Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.</p>	Yes / No	<p>For the option to formalise and clarify custom and practice, we believe the BSC objectives for promoting market efficiency, competition and BSC administration efficiency are met. If associated development and operation costs were targeted properly, then options to provide more flexibility could also meet BSC objectives, but without correct cost targeting we do not believe they meet BSC objectives.</p>
7.	<p>Do you have any further comments on P106 that you wish to make?</p>	Yes	<p>Whatever course is adopted, we welcome changes to the BSC to clarify the distinctions between BSC Parties, Suppliers and Supplier Ids, and the BSC “assets” and responsibilities of each. We support flexibility in permutations of BSC “assets” attributable to and transferable between Parties, but not at any cost. An important issue here is the targeting of costs. The more sophisticated options providing greatest flexibility should only be considered if those relatively few participants who are likely to benefit from them are willing to pay for them.</p>

P106_ASS_012 – Innogy (late response)

Respondent:	<i>Terry Ballard, Innogy plc</i>
BSC Party	Yes
No. of Parties Represented	9
Responding on Behalf of	Innogy plc, Innogy Cogen Limited, Innogy Cogen Trading Limited, Npower Limited, Npower Direct Limited, Npower Northern Limited, Npower Northern Supply Limited, Npower Yorkshire Limited and Npower Yorkshire Supply Limited
Role of Respondent	Supplier/Generator/Trader/Data Collector/Data Aggregator/ Meter Operator Agent

Q	Question	Response	Rationale
1.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD allow multiple Supplier Ids under scenario (a) i.e. it should be possible to transfer a Supplier Id from one Party to another to support mergers, sales of supply assets etc. Do you agree with this recommendation?	Yes	We already have this situation. Forcing Suppliers to migrate onto a single Supplier ID would require a large number of metering systems to be put through unnecessary COS processes and would potentially create significant risks to Supplier Volume Allocation.
2.	The VASMG proposes (for reasons described in section 4.3 of the consultation document) that the Code SHOULD NOT allow multiple Supplier Ids under scenario (b) i.e. it should not be possible for Suppliers to request the creation of new Supplier Ids for their own purposes. Do you agree with this recommendation?	Yes / No	It is probably dangerous to be too prescriptive about this. However, we wouldn't recommend anyone to create additional Supplier Ids without a very good reason – Segmenting business by other means leaves far more flexibility for internal processes, and avoids certain other problems.
3.	If you answered 'No' to question 2 (i.e. you believe that scenario (b) should be allowed), would you support a limit on the number of Supplier Ids a Supplier may request (as discussed in section 4.4 of the consultation document)?	Yes	

Q	Question	Response	Rationale
4.	The use of multiple Supplier Ids does not <u>require</u> software changes to NETA central systems. However, Annex 3 to the consultation document describes changes that would improve the robustness of the registration processes (at a cost of £132,000 plus annual maintenance changes). Do you believe that these changes are appropriate?	No	We cannot see the justification for spending a lot of money on systems to 'automate' what is essentially an 'occasional' operation, unless this can genuinely be shown to reduce the operational costs of a properly-managed 'manual' process. (However, in the grand scheme of things, £132 is not an enormous sum.)
5.	Do you agree that any costs associated with multiple Supplier Ids should be recovered from BSC Parties generally through the normal BSC cost recovery mechanisms (as opposed to being paid for only by those Suppliers requesting additional Supplier Ids)?	Yes	Given the relatively small additional costs and the competition benefits, this seems the best approach. There is a danger of spending as much money on developing and operating another charging mechanism as would be recovered.
6.	Do you believe that the Modification Proposal P106 better facilitates achievement of the Applicable BSC Objective(s)? If yes – please state which Objective(s) and why.	Yes	(c) – It furthers competition in supply and generation by facilitating the natural process of restructuring as less efficient businesses succumb to more efficient ones.
7.	Do you have any further comments on P106 that you wish to make?	Yes / No	

ANNEX 4 – IDUSTRY IMPACT ASSESSMENT (HIGH LEVEL)

Responses to MC00030: HLIA of P106

Responses due 16 December 2002

Organisation	Response
<p>Chris Welby Utility Link</p>	<p>What impact, if any, will the Proposed Modification have on your organisation?</p> <p>Utility Link supports another party in the operation of its 2nd Supplier id. Therefore the proposed modification will help clarify the situation.</p> <p>What implementation timescale, if applicable, would your organisation require to implement the changes associated with the Proposed Modification?</p> <p>None. Already in operation.</p> <p>If this Modification is not applicable to your organisation, please indicate why (e.g. proposed changes do not apply to Party Agents).</p> <p>Any other comments:</p> <p>Utility Link supports this change as it allows the BSC to reflect the 'real world' situation.</p>
<p>Sue Macklin Scottish and Southern</p>	<p>What impact, if any, will the Proposed Modification have on your organisation?</p> <p>None</p> <p>What implementation timescale, if applicable, would your organisation require to implement the changes associated with the Proposed Modification?</p> <p>None</p> <p>If this Modification is not applicable to your organisation, please indicate why (e.g. proposed changes do not apply to Party Agents).</p> <p>N/A</p> <p>Any other comments:</p> <p>None</p>
<p>Rachael Gardener Aquila Networks</p>	<p>What impact, if any, will the Proposed Modification have on your organisation?</p> <p>Initially, this will not have any impact as presumably these extra Supplier IDs would just form part of MDD.</p>

	<p>This would be bought up as part of our contract negotiations in relation to how Suppliers intend to use their IDs. We would also want to know from Suppliers if they intended to use another Supplier ID and migrate any of their existing MPANs to this new ID as this may increase extra workload for us during this process.</p> <p>What implementation timescale, if applicable, would your organisation require to implement the changes associated with the Proposed Modification?</p> <p>As we do not believe any of our I.T. systems need changing, these changes could be implemented whenever a Supplier decided they want to use this. However we would ask them to contact us beforehand.</p> <p>If this Modification is not applicable to your organisation, please indicate why (e.g. proposed changes do not apply to Party Agents).</p> <p>Any other comments:</p>
<p>Man Kwong Liu Scottish Power UK plc ; ScottishPower Energy Trading Ltd.; Scottish Power Generation plc; ScottishPower Energy Retail Ltd.; SP Transmission plc; SP Manweb plc.</p>	<p>What impact, if any, will the Proposed Modification have on your organisation?</p> <p>Minor modification required to Use of System Agreement with DNO, to take account multiple supplier identifier.</p> <p>What implementation timescale, if applicable, would your organisation require to implement the changes associated with the Proposed Modification?</p> <p>Minimal notice.</p> <p>If this Modification is not applicable to your organisation, please indicate why (e.g. proposed changes do not apply to Party Agents).</p> <p>N/A</p> <p>Any other comments: None.</p>
<p>Anne Stone LE Group</p>	<p>What impact, if any, will the Proposed</p>

	<p>Modification have on your organisation?</p> <p>It has no impact on the present systems used.</p> <p>What implementation timescale, if applicable, would your organisation require to implement the changes associated with the Proposed Modification?</p> <p>None</p> <p>If this Modification is not applicable to your organisation, please indicate why (e.g. proposed changes do not apply to Party Agents).</p> <p>Any other comments:</p>
<p>Clare Talbot NGC</p>	<p>What impact, if any, will the Proposed Modification have on your organisation?</p> <p>Limited impact identified on our business processes.</p> <p>What implementation timescale, if applicable, would your organisation require to implement the changes associated with the Proposed Modification?</p> <p>On the basis that this modification is unlikely to be implemented before April 2003 our business processes and relevant systems would be able to accommodate the inclusion of new Supplier Ids under an existing BSC Party. We would require 10 working days notice from decision to make the necessary changes.</p> <p>If this Modification is not applicable to your organisation, please indicate why (e.g. proposed changes do not apply to Party Agents).</p> <p>The proposed changes have limited impact on the business activities of the Transmission Company.</p> <p>Any other comments:</p>
<p>Ros Parsons</p>	<p>What impact, if any, will the Proposed Modification have</p>

<p>Npower Ltd, Npower Direct Ltd, Npower Yorkshire Ltd, Npower Yorkshire Supply Ltd</p>	<p>on your organisation? None.</p> <p>What implementation timescale, if applicable, would your organisation require to implement the changes associated with the Proposed Modification?</p> <p>If this Modification is not applicable to your organisation, please indicate why (e.g. proposed changes do not apply to Party Agents).</p> <p>Any other comments:</p>
<p>Margaret Brunton Npower Northern Ltd, Npower Northern Supply Ltd</p>	<p>What impact, if any, will the Proposed Modification have on your organisation? None.</p> <p>What implementation timescale, if applicable, would your organisation require to implement the changes associated with the Proposed Modification?</p> <p>If this Modification is not applicable to your organisation, please indicate why (e.g. proposed changes do not apply to Party Agents).</p> <p>Any other comments:</p>
<p>Sarah Hooley FAA</p>	<p>The FAA have made two validated assumptions regarding P106:</p> <ul style="list-style-type: none"> • The FAA is not required to maintain registration data to associate suppliers with BSC Parties. • The interface file format for receiving credits/debits data from the SAA (FAA I022/I023) will remain unchanged. <p>Providing these validated assumptions are met there will be no impact to the FAA.</p>

ANNEX 5 - SUPPLIER IDS CURRENTLY DEFINED IN CRA

The following table shows which Supplier Id(s) are registered to each Supplier in the Central Registration Agent (CRA) system. This data is derived from the BM Unit data in the Market Data section of the ELEXON website (www.elexon.co.uk), and is correct as of 6 January 2003.

PARTY NAME	PARTY ID	SUPPLIER ID	
		No.	Id(s)
AES New Energy Limited	AEPD	1	AEPD
Aquila Energy Supplies Limited	AQUILAES	1	AQES
Atlantic Electric and Gas Ltd	ATLANTIC	1	IMPO
BizzEnergy.com Ltd	BIZZ	1	BIZZ
British Energy Generation Ltd	BEGL001	1	NELC
British Gas Trading	BRITGAS	2	BGAS, ENRD
Cinergy Global Trading Limited	CINGTL	1	CGTL
Citigen (London) Limited	CGEN	1	CGEN
COMMERCIAL ELECTRICITY SUP LTD	CESL	1	CESL
Economy Power	ECON1	2	ECON, EPHH
Electricity Direct (UK) Ltd	EDIR	1	EDIR
ELEDOR Limited	ELEDOR	1	ELED
Fortum Direct Ltd	FOR	1	FORT
Fortum Energy Plus	GLAC	1	GLAC
Greenwich Energy Trading Ltd	GREN	1	GREN
INEOS Chlor Energy LTD	IMPX	1	IMPX
London Electricity Plc	LENCO	2	LOND, SWEB
Magnox Electric PLC	MAGNOX	1	NUCE
Maverick Energy	MAVERICK	1	MAVE
Midlands Gas Ltd	MGAS	1	MGAS
Npower Direct Limited	NITW001	2	INDE, INDX
Npower Limited	NPOWER01	2	MIDE, NATP
NPower Northern Supply Ltd	NEEB	1	NEEB
NPower Yorkshire Supply Ltd	YE	1	YELG
Opus Energy Limited	OXFPOWER	1	OXPO
Powergen Retail Ltd	PGENERGY	4	EELC, EENG, EMEB, NORW
Powergen UK plc	POWERGEN	1	PGEN
RWE Trading Direct Ltd	RWETDL	1	RWED
SEEBOARD Energy Limited	SEEBOARD	1	SEEB
Severn Trent Energy Ltd	AHEL	1	AHEL
Smartestenergy Limited	SMARTEST	1	SMAR
SP Energy Retail Ltd	SPSUP01	2	MANW, SPOW
SSE Energy Limited	HELE	1	HELE
SSE Energy Supply Limited	SSE	3	HYDE, SOUT, SWAE
SSE Energy Supply Ltd	ZZBERM	1	BERM
The Renewable Energy Co Ltd	RENC	2	ECOT, RENC
TotalFinaElf Gas & Power Ltd	TFEGP	1	TGPL
TXU Europe (AH Online) Ltd	AGSS	1	AGSS
TXU Europe (AHG) Ltd	AHGL	1	AHGL
TXU Europe (AHGD) Ltd	AMGD	1	AMGD
UK ELECTRIC POWER LTD	UKEP	1	UKEP
Utility Link Ltd	ULLINK	1	WREL
Western Gas Ltd	WGAS	1	WGAS

